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ABSTRACT

The need for the Ohio Instructional Grants (OIG) Program was significant at its creation and has grown in the initial five years of the program. The report provides background on the need for the program that has been responding to the need of students from low and moderate income families, but has been serving proportionately and absolutely fewer low-income families in recent years. The overall conclusion of the review is that the OIG program continues to merit the highest public priority but requires modification if it is effectively to provide access to higher education for students from low and moderate income families and choice among Ohio's higher education institutions. The overall priority for modifying the OIG program would be to provide increased aid to reduce financial barriers for existing eligible students before extending eligibility to new groups of students. To further improve the administration of the program, the recommendations are made in four major areas: communications, processing, flexibility, and equity. The projected costs for implementing the recommendations are detailed. (Author/JMF)

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EXPANDING OPPORTUNITIES FOR EQUAL ACCESS TO HIGHER EDUCATION FOR OHIOANS: A REPORT ON THE OHIO INSTRUCTIONAL GRANTS PROGRAM

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HE 006 612

A Report to
the Ohio Board of Regents
by the
Advisory Committee on Student
Financial Aid

March, 1975

March 21, 1975

Mr. John Marshall Briley,
Chairman, and Members of
the Ohio Board of Regents

Gentlemen:

The Advisory Committee on Student Financial Aid is pleased to submit its findings, conclusions, and recommendations concerning the Ohio Instructional Grants Program.

Our examination has included all aspects of the Ohio Instructional Grants Program as presented in your charge to us. We have concluded that the Ohio Instructional Grants Program is responding to a growing financial need, thereby continuing to merit your highest priority. We, however, believe that the program is in need of modification if it is to provide access to eligible students from low and moderate income families and choice among Ohio's higher education institutions.

This report represents a critical first step. We hope you will deem our efforts worthy of your approval and recommendation to the Ohio Legislature.

The Advisory Committee is already addressing itself to your second charge, to recommend an appropriate overall role for the State of Ohio in providing student aid. We equally welcome the challenge of this task and look forward to submitting a second report to you in June of this year.

Sincerely yours,

Mabel M. Riedinger, Ed.D.
Chairman
Advisory Committee on Student
Financial Aid

MMR:bav

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PREFACE

The Advisory Committee on Student Financial Aid of the Ohio Board of Regents has conducted a detailed, comprehensive review of the Ohio Instructional Grants Program over the past two months. This review has included all aspects of the OIG program, including those specifically indicated in the charge to the committee as follows:

- The sections of law establishing the program with a review of the income limitations, the amounts of the grants, the eligibility of undergraduate, graduate, professional, full-time, and part-time students as well as students in proprietary schools and hospital-based nursing and professional programs and any other pertinent topics.
- The recommendations of the Task Force on Higher Education and its minority report.
- The rules of the Ohio Board of Regents which implement the law.
- The staffing of the Ohio Instructional Grants office and its administrative procedures.

This report is the product of the Advisory Committee's examination and presents an analysis of the OIG program and recommendations for its modification.

The longer range charge to the Advisory Committee is to review all state, federal, and institutional programs which provide financial assistance to students and to recommend the appropriate role for the State of Ohio in student financial assistance. This review has already commenced and will be completed by June 30, 1975.

The Advisory Committee wishes to extend its appreciation to the staff of the Ohio Board of Regents, especially Charles Seward, Director, and Tom Rudd, Assistant Director, of the Student Assistance Office, and to the many institutions, associations, and individuals in the State of Ohio and elsewhere who provided assistance in the preparation of this report.

SUMMARY

The Ohio Instructional Grants Program continues to merit the highest public priority but requires modification if it is effectively to provide access to higher education for students from low and moderate income families and choice among Ohio's higher education institutions.

This statement summarizes the overall conclusion of a comprehensive review of the Ohio Instructional Grants (OIG) Program by the Advisory Committee on Student Financial Aid for the Ohio Board of Regents. This report is the product of the Advisory Committee's review, presenting an analysis of the OIG program and making recommendations for its modification.

The need for the Ohio Instructional Grants Program was significant at its creation and has grown in the initial five years of the program. Students from low and moderate income families represented a disproportionately small percentage of the Ohio higher education population at the program's inception. The OIG program has assisted in removing financial barriers to higher education for students from low and moderate income families, providing more grants to a wider income range over the past five years. Grants are provided only to students from low and moderate income families but the number and percentage of grants to students from low-income families has decreased in recent years. More grants have been provided year-by-year--almost 44,000 in the 1974-5 school year--but the average grant size had grown smaller except in the 1974-5 school year when it increased to $443. The OIG program has, therefore, been responding to the need of students from low and moderate income families, but has been serving proportionately and absolutely fewer low-income families in recent years.

The need for the OIG program continues since students from low and moderate income families continue to represent a disproportionately small percentage of the Ohio higher education population. In fact, the need for the program is increasing as the gap between student need and aid available grows--from an estimated $500 million nationally in this school year to over $2 billion for the 1975-6 school year.

The goals of the OIG program were neither explicitly stated in its enabling legislation nor in any written history of the program. We endorse the statement of purpose prepared by the Ohio Board of Regents based upon the actions of the Ohio Legislature, and recommend the following three goals for the OIG program:

- The OIG program should provide effective access to Ohio higher education institutions which meet the academic needs of low and moderate income Ohioans.
- The OIG program should provide choice among Ohio's public and private higher education institutions.
- The OIG program should be administered equitably, but with flexibility, recognizing the varying needs of its participants.

Our overall priority for modifying the OIG program would be to provide increased aid to reduce financial barriers for existing eligible students before extending eligibility to new groups of students. Providing larger grants to full-time students pursuing an undergraduate degree or certificate should be the first priority of the OIG program. Extending eligibility to new groups of students should progress as quickly as additional funds can be made available for the program. Providing following grants to private institutions should have a low priority.

Consistent with the goals and priorities, we make the following specific recommendations which are also presented in priority order on Exhibit A, following this page.

EXHIBIT A

PROPOSED PRIORITIES FOR THE OHIO

INSTRUCTIONAL GRANTS PROGRAM

Special Priority

- Grants should be made to students for any three quarters or two semesters/ sessions.
- The independent student should be afforded equitable treatment with the dependent student.

First Priority

- Maximum grants to students attending public institutions should be increased to cover the full cost of instructional and general fees.
- Maximum grants to students attending private institutions should be increased to an amount equal to the maximum grant in public institutions plus the average undergraduate subsidy in public institutions.
- The income level within which a maximum grant is automatic should be increased from $4,000 to $5,000.

Second Priority

- Half-time students taking 6 to 11 credit hours should be eligible to participate in the OIG program.
- Students in nursing and other hospital-based health professions programs should be eligible to participate in the OIG program.
- Grants should be extended to Ohio residents attending institutions in states developing equal reciprocity arrangements with Ohio.
- Proprietary school students enrolled in two-year associate degree courses should be eligible to participate in the OIG program at a later date.
- Special student assistance programs should be established for graduate and professional students.
- The grant tables should be extended on a sliding scale basis at a later date to accommodate higher income families with large numbers of dependents.

Third Priority

- Following grants should be provided to private institutions only after funds have been provided for the first two priorities, based on the recommended goals for the OIG program.

(1) Larger maximum grants should be provided to a larger proportion of existing eligible participants in the OIG program.

Maximum grants to students attending public institutions should be increased to the full cost of instructional and general fees. Maximum grants to students attending private institutions should be increased to an amount equal to the maximum grant in public institutions plus the average undergraduate subsidy in public institutions. The income level within which a maximum grant is automatic should be increased from $4,000 to $5,000.

(2) All students pursuing an initial undergraduate degree or certificate on at least a half-time basis should be eligible to participate in the OIG program.

Eligibility to participate in the OIG program should be extended first to:

- Half-time students taking from 6-11.9 credit hours.
- Students in nursing and other hospital-based health professions programs.
- Students attending higher education institutions in other states with which Ohio has equal reciprocity arrangements.

Consideration should be given to extending eligibility to students in proprietary schools at a later date and to providing alternative assistance programs for graduate and professional students.

(3) Grant tables should be redesigned to maintain equity between participants.

Recommended changes in the grant tables include:

- Increasing the maximum grant to $780 and $2,000 in public and private institutions, respectively.
- Increasing minimum grant amounts to approximately one-fourth of maximum grants, thereby making minimum grants a meaningful award.

- Extending tables to include up to ten children, thereby removing inequities in the existing tables for families with more than five children.

- Making all income ranges $1,000, thereby assuring an equitable relationship between income and grant size.

To further improve the administration of the OIG program, we make the following recommendations in four major areas--communications, processing, flexibility, and equity:

Communications

(1) OIG program information should be broadly disseminated on a timely basis using all available media.

As a top priority:

- OIG applications and brochures describing sources of financial assistance should be made available no later than October 1 of each year.

- High schools should be provided with enough OIG applications for every high school senior.

- A program of mass media announcements on the availability of Ohio Instructional grants should be undertaken.

- A video tape and film presentation on the OIG program should be made available on a widespread basis.

As a second priority:

- A mass mailing of OIG information to high school seniors and prior-year recipients should be undertaken.

- A follow-up letter should be sent to students who do not respond to the initial mailing along with a list of such students to each high school counselor.

- The four regional information centers proposed by the Ohio Board of Regents should provide an outreach service for the OIG program.

(2) Students and their parents should be kept informed about the status of their applications on a monthly basis.

(3) Written materials describing the OIG program--such as the policy manual, the basic brochure, and the OIG application--should be reviewed and updated annually.

(4) An OIG Advisory Committee should be established to maintain communications between the Ohio Board of Regents and the program participants.

Processing

(1) The OIG program should be funded at least one year in advance to remove any uncertainties concerning the availability and size of grants.

(2) Notification of grant awards should be made monthly throughout the application period.

(3) Grant payments to higher education institutions should be made earlier in the school year.

(4) A feasibility study should be conducted to determine whether the state's student assistance programs should be combined into a single agency.

Flexibility

(1) An early August application deadline should be maintained so that applicants can be assured of receiving full year grants early in the school year.

(2) If program funds are still available after the August deadline, applications should be processed on a first-come, first-serve basis until all grant funds are utilized.

(3) If an incomplete application is received, the applicant should have up to 30 days to complete the application.

(4) If at the close of the August deadline, program funds are insufficient to meet student needs and additional funds cannot be obtained from the Controlling Board or Ohio Legislature, grant applicants from families with the highest income levels should be eliminated level by level until the total of grant awards equals available funds.

Equity

(1) The independent student should be afforded equitable consideration with the dependent student in the OIG program.

(2) Income taxes and certain payroll deductions reducing available expendable income should be excluded when determining adjusted effective income.

(3) Financial awards from a higher education institution should not be considered in determining adjusted effective income.

(4) In the event of unforeseen changes in income, the grant award should be reassessed based on current income data.

(5) Income information provided by grant recipients or their families should be selectively audited.

Increasing grant size, extending eligibility to new categories of students, and improving program administration will increase the level of funding for the OIG program.

- Recommendations for larger grants and extending eligibility to half-time and nursing students would increase the level of OIG program funding by an estimated $50 million in the 1975-7 biennium. Exhibit B, following this page, presents each of these recommendations and their associated costs.

- Recommendations to improve the administration of the OIG program would increase the level of administrative costs by an estimated $215,000 in the 1975-7 biennium.

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EXHIBIT B

SUMMARY OF PROJECTED COSTS OF

PRIORITY PROGRAMMATIC RECOMMENDATIONS

FOR 1975-7 BIENNIUM

Priority	Estimated Cost in 1975-7 Biennium (in thousands)	Cumulative Estimated Cost in 1975-7 Biennium (in thousands)
Base Program	40,185	40,185
. Eligibility for full-time undergraduate students in public and private non-profit institutions		
. Maximum grants of $600 and $1500 in public and private institutions, respectively		
. Grants for students from families with adjusted effective incomes up to $14,999		
First Priority		
. Increase maximum grants to $730 and $2000 in public and private institutions, respectively	21,000±	61,185±
. Increase minimum income level from $4000 to $5000	7,524±	68,709
. Extend grant tables to 10 dependent children	727	69,436
Second Priority		
. Extend eligibility to half-time students taking from 6 to 11 credit hours	15,236	84,672
. Extend eligibility to students in hospital-based nursing and health professions programs	5,226	89,898

The preparation of this report is only a first step towards making the OIG program a truly effective tool for providing access to higher education for students from low and moderate income families. The next step involves the implementation of the recommendations for action contained in this report by the Ohio Board of Regents and the Ohio Legislature.

Although the recommendations made in this report substantially increase the level of funding for the OIG program, they potentially represent a small investment for the return the state receives from a well-educated citizenry.

In the end, it is we Ohioans who must make the decision to provide effective access to higher education for all of our citizens, in much the same way we made similar decisions concerning elementary and secondary education decades ago. This report, we hope, provides a critical first step in making that decision.

I. THE EXPANDING NEED FOR THE OHIO INSTRUCTIONAL GRANTS PROGRAM

The need for the Ohio Instructional Grants Program was significant at its creation and has grown in the initial five years of the program. This chapter provides background on the need for the OIG program--at its inception, during its development, today, and in the future--and the progress of the program towards meeting this need.

1. Students from low and moderate income families represent a disproportionately small percentage of the Ohio higher education population.

Students from low and moderate income families had a disproportionately low enrollment in higher education institutions prior to the inception of the OIG program.[1] In spite of the assistance provided by state as well as federal and institutional programs in recent years, these students continue to represent a disproportionately small percentage of the Ohio higher education population as rising educational costs continue to outdistance the ability of assistance programs to remove financial barriers to higher education.

The correlation between income of students or their families and enrollment in higher education institutions is well-documented by a number of major studies over the past few years:

- The National Commission on the Financing of Postsecondary Education succinctly summarized national data, as follows:

> "A total of 55.6 percent of the 18 to 24 year-old population has family income of less than $10,000, while only 36.8 percent of those enrolled in post-secondary institutions are in this category."[2]
>
> ". . . when family income is used as an indicator of access, the result is clear: the participation rate for 18-24 year olds whose family income is $10,000 or more is twice the rate of those from families with incomes of less than $10,000. The

total number of students from families with incomes under $10,000 would have to increase 50 percent beyond the 1972 level to reach the same participation rate as the entire traditional college-age population."[3]

- The National Commission on the Financing of Postsecondary Education further indicated that as of 1972, the advent of student assistance programs and two-year community colleges helped maintain but not substantially increase the participation rate of students from low and moderate income families in higher education:

> "There has been a modest increase in participation rates for students with family incomes below $3,000, regardless of ethnic or racial background, over the past five years. But there has been no sustained gain for students in the income group from $3,000 to $7,500 (above that level participation rates have declined since 1969). Many of the programs that aid minority students are primarily intended to aid low-income students, because a disproportionately high percentage of low-income students are members of ethnic or racial minorities. There is some evidence that these programs helped to increase participation rates for low-income students up to 1969; but as spending has been held back, further progress has also been curtailed. In addition, low-income students have been aided by the rapid growth of public two-year colleges, which commonly charge low tuition, require at most a high school diploma for admission, and are located so that they are more accessible to low-income persons than are most four-year institutions."[4]

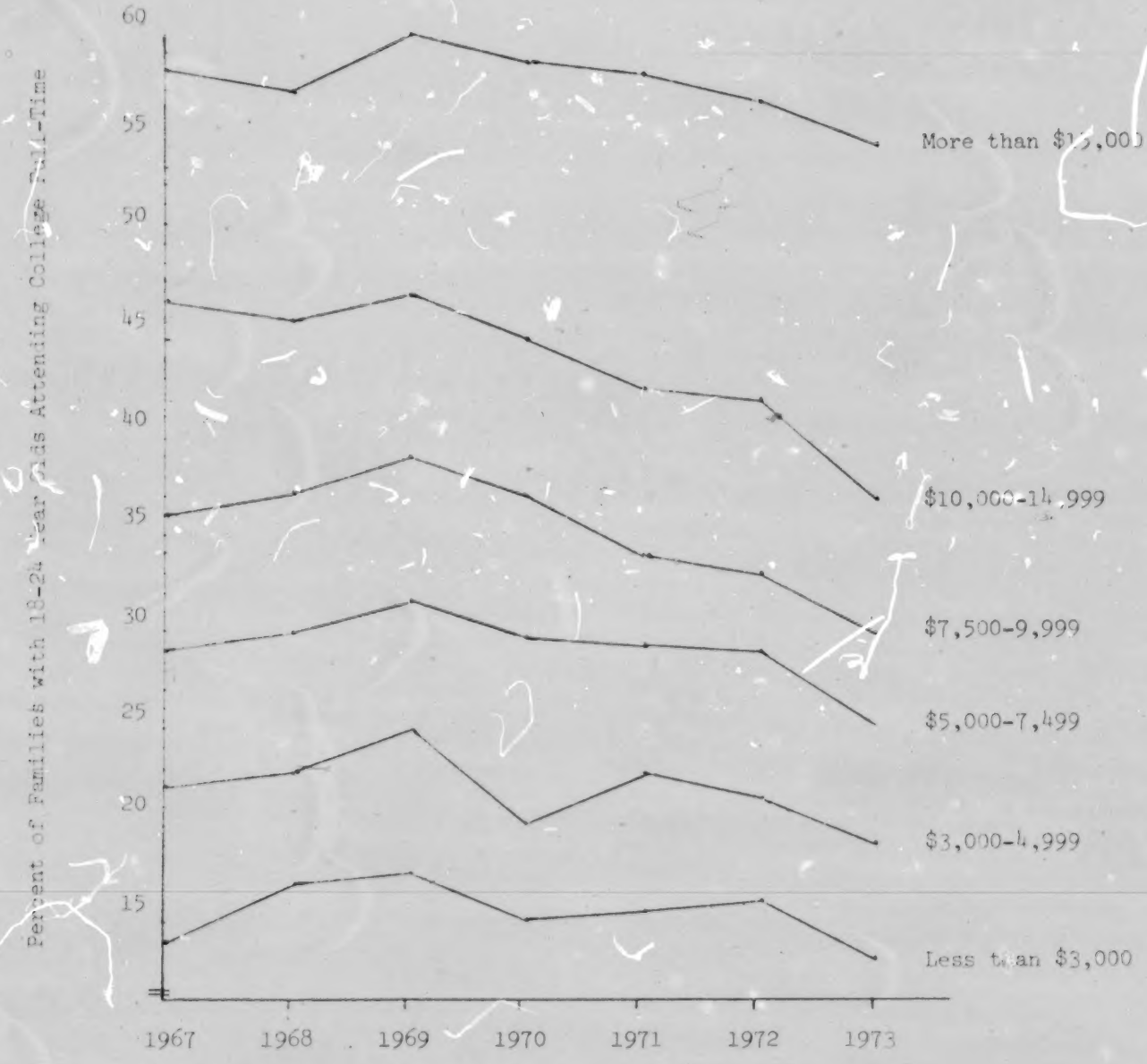
The committee's update of U. S. Bureau of the Census data through 1973 indicates that participation rates for students from low and moderate income families in higher education continues to be low. In fact, the participation rate appears to be declining for those in the less than $3,000 income group whereas it had been increasing through 1972. Exhibit I, following this page, presents participation rates by income level from 1967 through 1973.

- The Panel on Financing Low-Income and Minority Students in Higher Education indicated that discrepancies in enrollment between students from low and high income families are primarily a function of socioeconomic status, not academic

EXHIBIT I

PARTICIPATION RATE OF 18-24

YEAR OLDS BY FAMILY INCOME, 1967-73*



*Source: U. S. Bureau of the Census
(Income in Constant 1972 Dollars except for 1973)

ability, as illustrated in the table below and the following text:

Table 4. Enrollment at Senior and Junior Colleges of 1968 High School Graduates. By Socioeconomic Status and Ability. In Percent

	Male			
	Socioeconomic quarter			
Ability quarter	*Bottom*	*2*	*3*	*Top*
Bottom	14%	18%	33%	40%
Second	29	45	47	62
Third	48	57	61	70
Top	75	70	86	88
	Female			
	Socioeconomic quarter			
Ability quarter	*Bottom*	*2*	*3*	*Top*
Bottom	17%	16%	29%	55%
Second	25	29	49	66
Third	41	51	66	77
Top	67	71	79	88

Source: Lila Norris and Martin R. Katz, *The Measurement of Academic Interests. Part II.* College Entrance Examination Board Research and Development Reports, RDR-70-71, No. 5. Princeton, N.J.: Educational Testing Service, 1970, pp. 16-17

"Among 1968 male high school graduates in the bottom ability quarter, those in the top socioeconomic quarter were almost three times more likely to become enrolled in college than those in the lowest two socioeconomic quarters. Among 1968 female high school graduates, college prospects of the low-ability rich were greater than three times of those of the low-ability poor. In the second ability quarter, males of the top socioeconomic group were about twice as likely to become enrolled, and females more than two and a half times as likely as those in the lowest socioeconomic bracket. Females in the second socioeconomic quarter had less than half the likelihood of college enrollment of those in the top socioeconomic group. Even in the top ability quarter there is still inequality of opportunity because of socioeconomic background."[5]

- In Ohio, the profiles of college-bound students taking American College Testing Program tests indicate that the participation rates by low-income students parallel national findings. In

fact, the percentage of students from low and moderate income families has been decreasing until the most recent year, with the exception of students from families with less than $3,000 income. Exhibit II, following this page, presents a distribution of Ohio students taking American College Testing Program tests by income level.[6]

The overwhelming conclusion from this data--that fewer students from low and moderate income families attend higher education institutions regardless of ability--led to the creation of, and continued support for, the OIG program to assist in removing at least one of the barriers--financial need--to participation by students from low and moderate income families.

2. The Ohio Instructional Grants Program has assisted in removing financial barriers to higher education for students from low and moderate income families, providing more grants to a wider income range over the past five years.

The OIG program has provided grants exclusively to students from low and moderate income families to maintain, and if possible, increase their enrollment in higher education institutions, both public and private. To meet their financial need, the OIG program has been providing increasingly more grants to students from a wider income range over the past five years.

The Ohio Instructional Grants Program was enacted by the Ohio Legislature in 1969, authorizing the Ohio Board of Regents to establish and administer an instructional grants program for full-time undergraduate students. Students must be residents of Ohio and enrolled in an Ohio public or private non-profit institution to be eligible for an Ohio Instructional grant. Students are not eligible if they are enrolled in a course of study leading to a degree in theology or

EXHIBIT II

DISTRIBUTION OF OHIO STUDENTS

TAKING ACT TESTS BY INCOME LEVEL

Ohio College-Bound High School Students Tested In:	Percentage with Family Incomes: Less than $3,000	Less than $7,500	Less than $15,000
1967-1968	3	35	88
1968-1969	3	30	83
1969-1970	1	19	77
1970-1971	3	20	77
1971-1972	3	20	79
1972-1973	3	17	73
1973-1974	4	19	71

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religion, or if they are preparing for a religious profession. A grant is paid to the eligible student through the institution in which he or she is enrolled and can be used only to cover part or all of instructional and general fees. Grants are provided only as long as a student is enrolled and making appropriate progress towards an associate or bachelor's degree. Grants cover two semesters or three quarters or the equivalent of one academic year.

Since the establishment of the program in the 1970-1 school year, important changes have been made in the size of maximum grants and the income categories eligible to participate in the OIG program. Maximum grants have been increased from $300 to $600 in public institutions and from $900 to $1,500 in private institutions between the 1970-1 and 1974-5 school years. Maximum grants have been increased in public and private institutions to continue to provide choice for students between both types of institutions. The maximum adjusted income for participation in the program has increased from $10,000 to $15,000 in the same time period. Exhibit III, following this page, presents the year-by-year change in maximum grants and maximum adjusted income levels.

- Ohio Instructional Grants are provided only to students from low and moderate income families but the number and percentage of grants to students from low-income families has decreased in recent years.

  From the 1971-2 to the 1973-4 school years, for example, the percentage of students receiving grants from families with under $4,000 income dropped by almost 100 percent, from 20.4 percent to 10.5 percent of the total grants. Simultaneously, the percentage of students receiving grants in the over $10,000 income category increased by over 300 percent, from 11.5 percent to 36.9 percent. A major factor responsible for this shift to higher income families is that higher income families were made eligible to participate in the OIG program. The

EXHIBIT III

MAXIMUM ADJUSTED INCOME LIMITS AND

MAXIMUM GRANTS FOR THE OIG PROGRAM

School Year	Maximum Adjusted Income for Participation in the OIG Program	Maximum Grant	
		Public	Private
1970-1	10,000	300	900
1971-2	11,000	510	1200
1972-3	11,000	510	1200
1973-4	14,000	570	1320
1974-5	15,000	600	1500

$10,000-11,000 income range was added in the 1971-2 school year, the $11,000-14,000 income range in the 1973-4 school year, and, most recently, the $14,000-15,000 income range in the 1974-5 school year. Unfortunately, this is not the sole explanation since the number of grants to students in all income categories under $10,000 actually dropped between the 1972-3 and 1973-4 school years, indicating that fewer students from low-income families were applying for grants, or even worse, fewer students from low-income families were attending higher education institutions. Exhibit IV, following this page, presents the distribution of Ohio Instructional grants by income group on a year-by-year basis.

- More Ohio Instructional grants have been provided in each program year but the average grant size has grown smaller until the most recent year.

  The number of Ohio Instructional grants has increased almost three-fold from the 1970-1 school year to the current 1974-5 school year, from 14,904 to an estimated 43,834. In the same period, the average grant increased between the first and second school years, decreased for the next two years, and increased to an estimated average of $443 in the current 1974-5 school year. Average grants as a percentage of maximum grants follow approximately the same pattern through the initial five years of the OIG program. The impact of raising the maximum income limits, thereby reducing the average grants, has had a greater or lesser impact than increasing the maximum grant amount, thereby increasing average grants, on a year-by-year basis. Exhibit V, following Exhibit IV, presents the number of Ohio Instructional grants provided by type of institution on a year-by-year basis. Exhibit VI, following Exhibit V, presents the average Ohio Instructional grant provided by type of institution on a year-by-year basis.

The Ohio Instructional Grants Program, therefore, has been responding to the need of students from low and moderate income families for financial assistance, but has been serving fewer low-income families in recent program years.

3. The need for the OIG program increases as the gap between student need and the aid available continues to grow.

In spite of the OIG program and other state and federal grant and loan programs, the financial need of students from low and moderate income families continues to grow. The College Scholarship Service estimates that the gap between student need and the aid available will

EXHIBIT IV

DISTRIBUTION OF OHIO INSTRUCTIONAL

GRANTS BY INCOME GROUP

Income Group	School Year 1970-1 Percent	1970-1 Number of Grants	1971-2 Percent	1971-2 Number of Grants	1972-3 Percent	1972-3 Number of Grants	1973-4 Percent	1973-4 Number of Grants
0-$4,000*	23.1	3,450	20.4	5,659	17.4	6,363	10.5	4,289
$4,000-6,000	38.4	5,730	18.3	5,077	17.8	6,507	12.5	5,060
$6,000-10,000	38.5	5,724	49.8	13,862	52.7	19,294	40.1	16,301
$10,000 and above	-0-	-0-	11.5	3,201	12.0	4,397	36.9	15,020

EXHIBIT V

NUMBER OF OHIO INSTRUCTIONAL GRANTS

PROVIDED BY TYPE OF INSTITUTION

School Year	Public Institutions		Private Institutions	All Institutions
	Four-Year	Two-Year		
1970-1	9,084	1,092	4,728	14,904
1971-2	18,471	1,727	9,772	29,970
1972-3	← 27,050 →		9,511	36,461
1973-4	← 29,637 →		11,045	40,682
1974-5 (estimated)	← 32,567 →		11,267	43,834
TOTAL	119,628		46,323	165,951

EXHIBIT VI

AVERAGE OHIO INSTRUCTIONAL GRANT

PROVIDED BY TYPE OF INSTITUTION

School Year	Public Institutions				Private Institutions		All Institutions
	Four-Year		Two-Year				
	Dollars	Percent of Maximum Grant	Dollars	Percent of Maximum Grant	Dollars	Percent of Maximum Grant	
1970-1	$197	66%	$220	73%	$544	60%	$307
1971-2	339	66	403	79	791	66	487
1972-3	← $307			60% →	765	64	427
1973-4	← 301			53 →	720	55	415
1974-5 (estimated)	← 325			55 →	775	52	443

grow from approximately $500 million nationally to over $2 billion in the next school year unless new sources of financial assistance are developed. Over $1 billion of this gap is attributable to rising institutional fees and living costs, and the remaining $500 million to adjustments in the College Scholarship Service needs analysis which would allow more students to qualify for assistance.[7]

A sizable portion of the old and new need is obviously based in Ohio. The cost of education is already higher in Ohio public institutions than other Big Ten institutions and, in spite of the Ohio Board of Regents' efforts, might go higher along with private institution costs in the next biennium.

A better-funded, broader, and better-communicated Ohio Instructional Grants Program is needed if students from low and moderate income families are not to be further excluded from higher education opportunities in the coming biennium and beyond.

* * *

The remaining chapters of this report present the findings, conclusions, and recommendations of the OIG program, divided into the following four areas:

- Chapter II--Goals of the OIG program - What should be the long-term goals of the OIG program?
- Chapter III--Priorities of the OIG program - Which students should receive how much support and how should the amount of support be determined?
- Chapter IV--Administration of the OIG program - How should the administration of the OIG program be modified so as to improve communication, speed up grant awards, provide flexibility, and equitably achieve the goals and priorities of the OIG program?

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- Chapter V--Projected Costs for the OIG program - What will be the cost of implementing the programmatic and administrative recommendations in Chapters III and IV?

- Chapter VI--The Next Step - What actions need to be taken to implement the recommendations of the Advisory Committee?

FOOTNOTES TO CHAPTER I

[1]In this report, students from low and moderate income families is defined to include all students from families eligible to participate in the OIG program, that is, with adjusted effective incomes under $15,000. Low income is defined to include all students from families who are eligible to receive maximum grants, currently up to a $4,000 income for families with one dependent and $8,000 income for families with five or more dependents. Adjusted effective income is defined by the OIG program as income available to the family for the purchasing of services and goods. It includes total family income with adjustments for savings and state income taxes.

[2]The National Commission on the Financing of Postsecondary Education, Financing Postsecondary Education in the United States (Washington, D. C.: U. S. Government Printing Office, 1973), p. 135.

[3]Ibid., p. 138.

[4]Ibid., p. 26.

[5]Panel on Financing Low-Income and Minority Students in Higher Education, Toward Equal Opportunity for Higher Education (New York: College Entrance Examination Board, 1973), pp. 12-13.

[6]American College Testing Program High School Profile Reports, Students Tested--This data has a number of limitations which might limit its representativeness for all Onio students:

- Data is self-reported by students
- A significant number of students, approximately 30 percent, do not supply data
- ACT tests are taken primarily by students bound for public institutions in Ohio, thereby not necessarily presenting a representative cross-section of Ohio students

In spite of these limitations, the results still indicate a significant correlation between income level and participation in higher education.

[7]"Inflation Causes $2 Billion Gap in Financial Aid," The College Board News (January, 1975), pp. 1-2, 6.

II. GOALS OF THE OHIO INSTRUCTIONAL GRANTS PROGRAM

The goals of the Ohio Instructional Grants Program are neither explicitly stated in its enabling legislation nor in any written legislative history of the program. This chapter examines the purpose of the OIG program that was prepared by the Ohio Board of Regents based upon the actions of the Ohio Legislature, and proposes goals to guide the future development of the program. These goals have also been used to guide the development of specific programmatic and administrative recommendations for the OIG program which are presented in the next two chapters of this report.

1. The existing statement of purpose merits the continuing support of the Ohio Board of Regents and Ohio Legislature.

The best statement of purpose of the OIG program appears in its annual reports, the most recent appearing in the Third Annual Report of October, 1973. It states the following, with slight modifications:

> The Ohio Instructional Grants Program is a financial aid program intended to assist students from low and moderate income families enrolled as undergraduates in eligible Ohio institutions of higher education. Such grants are not expected to meet all the costs of college attendance, nor are they intended to meet the total or unmet need of eligible students. Ohio Instructional grants are intended to serve as an additional source of student financial assistance along with all other forms of assistance, such as institutional assistance, federal Basic Educational Opportunity and other grants, work-study payments, student loans, and scholarships.
>
> It is the purpose of the program to assist in eliminating the financial barrier which may have discouraged promising students from low and moderate income families in planning to seek a higher education. It is not the purpose of the program to replace appropriate resources available to the student but rather to supplement these appropriate resources which include the parents' income and assets as well as the students' own financial resources. Ohio Instructional grants are not awarded upon the basis of scholarship, as such, but upon the basis of relative financial need.

The key words in this statement of purpose are:

- Students from low and moderate income families are to be sole recipients of program grants.
- Students planning to attend or attending eligible Ohio institutions can participate in the program. Eligible institutions is currently defined by the enabling legislation as public and private non-profit institutions.
- The program is limited to undergraduates.
- The program is intended to be a supplement; not to replace appropriate resources defined as parents' income and students' financial resources.
- The program is based on need not scholarship.

We endorse this statement as accurately reflecting the basic purpose of the OIG program.

2. The statement of purpose should be supplemented with three goals for the OIG program.

(1) The OIG program should provide effective access to Ohio higher education institutions which meet the academic needs of low and moderate income Ohioans.

Ohio has made great strides towards providing access to higher education. New two and four-year institutions have been established and existing institutions have been enlarged to accommodate enrollment growths. The combination of new institutions and new branches for existing institutions makes higher education institutions geographically accessible to almost all Ohioans. "Open admissions" policies have provided at least the opportunity for higher education to all secondary school graduates.

The Ohio Legislature and Ohio Board of Regents are to be commended for these actions, but alone they are not enough.

The major remaining barrier to access is financial and, therefore, the primary goal of the OIG program should be to remove this barrier and provide access to higher education institutions for eligible students from low and moderate income families. Access is defined as the removal of financial barriers imposed by instructional and general fees in public or private non-profit institutions offering the course of instruction desired by the student.

(2) The OIG program should provide choice among Ohio's public and private higher education institutions.

Choice is an intangible but extremely important component in achieving success in higher education. The large, multi-faceted public university best meets the needs of one group of students; the small, liberal arts private college, a second group of students; the two-year community or technical college, yet a third group of students. Ohio provides an excellent cross-section of higher education institutions and students from low and moderate income families should not be restricted to choosing the option with the least direct cost to them and their families if it does not meet their personal needs.

The second goal of the OIG program, therefore, should be to provide the opportunity for choice among Ohio's higher education institutions. The OIG program cannot guarantee absolute choice, however, since this is based upon a student's admission to a specific institution, and further cannot guarantee the removal of the entire barrier of instructional and general fees in the more expensive private institutions.

(3) The OIG program should be administered equitably, but with flexibility, recognizing the varying needs of its participants.

The OIG program should consider all participants equitably, keeping the program simple, understandable, and administratively efficient. At the same time, the OIG program deals with human beings with all of their unique differences and frailities and, therefore, needs to be administered with flexibility and concern for the individual participants in the program.

We recommend the statement of purpose and three goals to the Ohio Board of Regents and Ohio Legislature for consideration and approval.

III. PRIORITIES FOR THE OHIO INSTRUCTIONAL GRANTS PROGRAM

The OIG program needs a clearly developed set of priorities to direct its future growth and to deal with the increased demands that will be placed upon it in the coming and future biennia. This chapter recommends priorities for the OIG program which respond to the following three questions:

- How much grant support should students receive through the OIG program?
- Which students should receive Ohio Instructional grants?
- How should the amount of grant support be determined?

The chapter, first, recommends overall priorities for the OIG program and, second, presents and briefly describes specific recommendations in response to the above three questions.

Our recommended priorities for the OIG program are divided into a special priority category and three priority--first, second, and third--categories. The recommendations in the special priority category are for administrative improvements which can be made in the existing program within current legislation and funding levels. The recommendations in the first, second, and third priority categories are for the future growth of the OIG program requiring changes in legislation or increases in funding levels. Exhibit VII, following this page, presents the recommendations under each of these categories.

The special priority category recommendations are presented in the next chapter; the first, second, and third priority recommendations for future growth are presented in the remainder of this chapter.

Our recommendation on an overall priority for future growth in the OIG program is to provide increased aid to reduce remaining financial barriers for existing eligible students before making new groups of students

EXHIBIT VII

PROPOSED PRIORITIES FOR THE OHIO

INSTRUCTIONAL GRANTS PROGRAM

Special Priority

- Grants should be made to students for any three quarters or two semesters/sessions.
- The independent student should be afforded equitable treatment with the dependent student.

First Priority

- Maximum grants to students attending public institutions should be increased to cover the full cost of instructional and general fees.
- Maximum grants to students attending private institutions should be increased to an amount equal to the maximum grant in public institutions plus the average undergraduate subsidy in public institutions.
- The income level within which a maximum grant is automatic should be increased from $4,000 to $5,000.
- The grant tables should be expanded to include up to 10 dependent children.

Second Priority

- Half-time students taking 6 to 11 credit hours should be eligible to participate in the OIG program.
- Students in nursing and other hospital-based health professions programs should be eligible to participate in the OIG program.
- Grants should be extended to Ohio residents attending institutions in states developing equal reciprocity arrangements with Ohio.
- Proprietary school students enrolled in two-year associate degree courses should be eligible to participate in the OIG program at a later date.
- Special student assistance programs should be established for graduate and professional students.
- The grant tables should be extended on a sliding scale basis at a later date to accommodate higher income families with large numbers of dependents.

Third Priority

- Following grants should be provided to private institutions only after funds have been provided for the first two priorities, based on the recommended goals for the OIG program.

eligible to participate in the OIG program. Our recommendation for a special set of priorities to guide future growth in the OIG program is as follows:

- Providing larger grants to full-time students pursuing an undergraduate degree or certificate should be the first priority of the OIG program. Maximum grants should be increased for students in both public and private institutions and provided to more students from lower income families. Expanding grant tables to include up to 10 dependent children should also be a first priority since it is a small change which will provide greater equity in the tables.

- Extending eligibility to new groups of students should progress as quickly as additional funds can be made available for the OIG program. Eligibility should be extended to half-time and nursing students in hospital-based programs in the 1975-7 biennium and to students attending institutions in other states with which Ohio has reciprocity arrangements. At a later date, consideration should be given to extending eligibility to students in proprietary schools. Special student assistance programs should be established for graduate and professional students, the remaining major group of students. Finally, grant tables should be extended on a sliding scale basis at a later date to accommodate higher income families with large numbers of dependents.

- Providing following grants to private institutions should have low priority based on the recommended goals for the OIG program. Following grants would provide up to $750 to private institutions for each enrolled recipient of an Ohio Instructional grant to assist the institutions in providing supporting services for students from low and moderate income families. Whereas following grants appear to have value in providing supporting services to students already enrolled, we question whether they offer more than a minimal incentive to private institutions to recruit students from low and moderate income families. We, therefore, suggest that while following grants provide for supportive services to retain students from low and moderate income families in higher education institutions, they would not increase initial access to higher education institutions.

1. Larger maximum grants should be provided to a larger proportion of existing eligible participants in the OIG program.

(1) Maximum grants to students attending public institutions should be increased to the full cost of instructional and general fees.

The OIG program should provide up to full instructional and general fees in public institutions; no more, no less. Providing

less would still leave a financial as well as a psychological barrier to students who need to make up the remaining costs of instructional and general fees. Providing more than instructional and general fees would further confuse the relationship of the OIG program to federal and institutional grant and loan programs. We recommend that the proper role for the OIG program be to provide a basic grant to remove the financial barrier of instructional and general fees; additional costs of higher education should be met through other programs.

Implementation of this recommendation would require adjusting grant tables up to a maximum grant of $780 for the 1975-7 biennium or higher, depending upon the instructional and general fees ceiling set by the Ohio Legislature. Individual grants would, of course, not exceed instructional and general fees for the specific institution selected by the grant recipient.

(2) Maximum grants to students attending private institutions should be increased to an amount equal to the maximum grant in public institutions plus the average undergraduate subsidy in public institutions.

Grants to students attending private institutions should be increased up to an amount equal to the total potential public support for a student in a public institution. Public support is a combination of the public subsidy which for undergraduates currently averages about $1,200 and the Ohio Instructional grant which can currently go up to full instructional and general fees or $600, whichever is less. We recommend pegging the maximum grant to students in private institutions at no more than

this total public support which would be approximately $2,000 for the 1975-7 biennium. We further recommend evaluating the size of the maximum grant each biennium to reflect changes in the amount of public subsidy and instructional and general fees in public and private institutions.

(3) The income level within which a maximum grant is automatic should be increased from $4,000 to $5,000.

The Office of Economic Opportunity poverty income for an urban family of four in Ohio has increased to $4,550 since the grant tables were last adjusted by the Ohio Legislature.[1] Since the poverty family income assumes no contribution to higher education, the highest income level to automatically receive a maximum grant should be increased to at least $4,550 or, as we are recommending, $5,000. Families below the poverty level should not be expected to contribute to the cost of instructional and general fees for students attending higher education institutions.

Raising the income level within which a maximum grant is automatic will help offset the trend towards fewer maximum grant awards and increase awards for students receiving less than the maximum. The percentage of students receiving grant awards at the maximum amount has decreased over the years, from 31.7 percent in the 1970-1 school year to 11.5 percent in the 1973-4 school year. This decrease is primarily due to expanding the program to students from moderate income families, none of which receive maximum grant awards. In spite of the decrease in maximum grant awards, the awards have been sufficient in the

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two-year public institutions to provide an increasing number of students with full tuition and fees, from 34.8 percent in the 1971-2 school year to 50.1 percent in the 1973-4 school year. This increase is due in part to the increasing size of maximum grant awards over the years.[2]

2. All students pursuing an undergraduate degree or certificate on at least a half-time basis should be eligible to participate in the OIG program.

Eligibility to participate in the OIG program should be extended first to:

- Half-time students
- Students in nursing and other hospital-based health professions programs
- Students attending higher education institutions in other states with which Ohio has equal reciprocity arrangements

Consideration should be given to extending eligibility to students in proprietary schools at a later date and to providing alternative assistance programs for graduate and professional students.

(1) Half-time students taking 6 to 11.9 credit hours should be eligible to participate in the OIG program.

Part-time students represent a substantial proportion of higher education institution enrollments both in Ohio and nationally.

- In Ohio, almost 43 percent of the students in public institutions are part-time students (0-11 credit hours) and almost half (45 percent) of the part-time students are half-time students (6-11 credit hours).[3]
- Nationally, since 1969, more students have participated in postsecondary education on a part-time basis (credit and non-credit) than on a full-time basis (57.5 percent versus 42.5 percent in 1972).[4]

Part-time students are usually older and employed full-time. Almost 25 percent of all students in higher education institutions nationally were 25 years of age or older in 1970, whereas 80 percent of part-time students were 25 years of age or older in 1972. Over three-fourths of part-time students nationally are working full-time jobs and often supporting families.[5]

Part-time students are often excluded from participation in federal, state, and institutional aid programs. Social security benefits are limited to full-time students and the basic federal grant program--the Basic Educational Opportunity Grant Program--is being extended to part-time students for the first time in the 1975-6 school year. Student aid programs in only eight states[6] extend eligibility to part-time students. Less than half of the postsecondary institutions nationally provide assistance to part-time students. In addition, over half of the four-year institutions nationwide charge higher instructional and general fee rates for part-time students.

Part-time students find themselves in the paradoxical situation of not being eligible for assistance programs while paying taxes which in part are used to pay the educational costs of full-time students who are eligible for assistance programs.

To meet the financial need of this substantial proportion of overall student enrollment, we recommend extending the OIG program to half-time students. Half-time would include those students taking from 6 to 11.9 credit hours of courses; except

in those institutions where full-time is defined as 14 credit hours, making half-time from 6 to 13.9 credit hours of courses. We believe that including half-time students would make eligible most of the active degree-oriented undergraduate students without confronting the administrative complexity of making small grants to students enrolled for only a few credit hours on a periodic basis. The amount of grant awards would be adjusted accordingly, making half grants to students taking from 6 to 11.9 credit hours.

(2) Students in nursing and other hospital-based health professions programs should be eligible to participate in the OIG program.

Students in nursing schools and other hospital-based health professions programs which award three-year diplomas or certificates have been excluded from participation in the OIG program whereas students in either two or four-year private non-profit or public institutions which award degrees are eligible to participate.

Students in nursing schools have financial need. Of the 332 students at Miami Valley Hospital School of Nursing, for example, 60-70 are receiving grants and loans including assistance through the federal health manpower assistance and guaranteed student loan programs. Of the 282 students at Good Samaritan Hospital School of Nursing, 43 are receiving grants and loans. Since it appears that federal grants will not be increasing--and might be decreasing--it is important that additional sources of assistance be provided for students in nursing and health professions programs.

To meet the financial needs of these students and facilitate the training of nurses and other health professionals, we recommend extending the OIG program to students in nursing and other hospital-based health professions programs awarding three-year diplomas or certificates.

(3) Grants should be extended to Ohio residents attending institutions in states developing equal reciprocity arrangements with Ohio.

The restriction on the use of Ohio Instructional grants to Ohio higher education institutions prevents access for some students and the opportunity for choice for even more students. Access is especially hampered when the nearest higher education institution offering the desired academic curriculum is located in another state, requiring the consideration of a potentially more expensive alternative in Ohio.

The restriction severely constrains choice for even a larger number of students. A recent study conducted for the State of Pennsylvania--one of eight states which permits grants to be used in out-of-state institutions[7]--indicates that approximately 11 percent of their over 110,000 grants were used in out-of-state institutions, the largest percentage of which were used in the State of Ohio. Based on a survey of almost 50 percent of these recipients, the study summarized the reasons students selected out-of-state institutions, as follows:

> "The student's perceptions of the out-of-state institution and its programs in relation to the programs and institutions in Pennsylvania were of most overall importance. A desire for a change of scene was of

next most importance for all students and for white students. For the black students, however, the desire for a change of scene was the most important reason for selecting an out-of-state institution. It was cited more frequently than were the quality of the institution or its programs. The availability of financial aid or a perception of lower cost were next most important for all students, white students and black students.

Reasons for choosing an out-of-state institution varied little for students from different family income groups. The favorable impression of the institution, the perceived quality of the program, the desire for a change of scene, and the financial aid they received were the most important for students from all income levels. Encouragement of college officials was fifth most important for students from families with incomes of $15,000 or more. The lower cost of the out-of-state institution was the fifth ranked by students from families in all income groups below $15,000. Being able to live at home and commute was the sixth most important reason for students with parental incomes in excess of that amount.

Understandably, students whose Pennsylvania residences were less than 50 miles from their out-of-state institution cited as the most important reason for their choice the ability to live at home and commute. It should be remembered, however, that these commuting students represent less than five percent of the total out-of-state group.

The religious affiliation of the institution was of importance to about 16 percent of the respondents, and 6.2 percent gave that as the primary reason for choosing their present institution."[8]

The State of Pennsylvania decided to retain the out-of-state option through the 1976-7 academic year for three reasons:

- "First, there is interest developing among some states to develop reciprocity agreements with neighboring states. The concept of reciprocity agreements has been shunned for years, but attitudes seem to be changing. Perhaps with Pennsylvania taking the initiative such agreements can be consummated with neighboring states. The two-year time period would allow for any legislative action any willing other state might have to take and would indicate the urgency Pennsylvania attaches to the concept.

- Secondly, the potential of the new federal State Student Incentive Program to extend the portability of state student grants can be realized for the benefit of Pennsylvania is one, maybe two years away.

- Thirdly, we believe that the costs to the students whose choice would be restricted outweigh the relatively small financial savings which might accrue to the Commonwealth over the two-year period through a policy change at this time."[9]

To provide a greater opportunity for choice--especially for minority students and those desiring special types of institutions not located in Ohio--we recommend that the Ohio Legislature approve the portability of Ohio Instructional grants to other states with which Ohio successfully develops equal reciprocity arrangements. We further recommend that the Ohio Board of Regents continue its discussions with neighboring and other states towards developing such arrangements.

(4) Proprietary school students enrolled in two-year associate degree courses should be eligible to participate in the OIG program at a later date.

Students in proprietary schools present a special problem for the OIG program. On one hand, proprietary schools offer students an alternative choice to public and private non-profit institutions, especially to two-year community and technical colleges. On the other hand, their profit-making nature makes it difficult to argue for their inclusion in the OIG program. In the final analysis, the needs of students who select this alternative have to be weighed against the institutional barriers to inclusion in the OIG program. Most of the federal programs and 11 states have decided this question in favor of including proprietary school students in their grant and loan programs.[10]

To meet the needs of students who choose this alternative, we recommend inclusion in the OIG program of proprietary school students who are enrolled in associate-level degree programs of at least two years duration. This limitation would make eligible students who are enrolled in programs that are comparable to those offered in public and private non-profit institutions. We further recommend that this extension of eligibility have a lower priority than extending the OIG program to half-time, nursing, and out-of-state students.

(5) Special student assistance programs should be established for graduate and professional students.

Graduate and professional students represent a different category of student and, consequently, of financial need. They have access to some of the same loan programs as undergraduates but generally have unique grant programs since few of the federal programs and programs in only six states[11] that are available to undergraduate students are also available to graduate students. Graduate students, for example, have access to fee waivers and assistantships; medical students have access to federal health manpower assistance programs. Law students appear to be the least provided-for category having only limited access to assistantships and receiving no special federal or state grant or loan assistance other than that available to other graduate or professional students.

We recommend that the financial needs of graduate and professional students continue to be addressed through special

grant and loan programs. The OIG program should focus on the financial barriers to students pursuing an undergraduate degree, and not provide grants to students pursuing additional degrees. We propose to study and consider new programs--such as the proposed Regent's Medical Student Loans--to meet the special needs of graduate and professional students. We are especially concerned about the unavailability of guaranteed loans for graduate and professional students and will consider options for increasing their availability in the next phase of our study.

(6) All students should have equal eligibility under the OIG program with priority being given to students from lower income families.

All groups of students--once added to the program--should have equal eligibility under the program. To do otherwise would result in inequitable treatment of individual students and make monthly notification of grant awards--which is recommended in the next chapter--extremely difficult. If the OIG program is oversubscribed and funds cannot be obtained from the Controlling Board or Ohio Legislature, grants should be reduced or rescinded on the basis of income, not on the basis of the group to which a student belongs. Grant awards should be reduced or rescinded starting with students in the highest income range and moving down by income range until total grant awards balance available program funds.

3. Grant tables should be redesigned to maintain equity between participants.

To reflect the changes made in this chapter, new grant tables have been prepared for the 1975-7 biennium for students in institutions

with total instructional and general fees under $1,000 (public institution and hospital-based programs) and over $1,000 (private non-profit institution programs).

These tables include the following changes:

- Increasing the maximum grant to $780 and $2,000 in public and private institutions, respectively.
- Increasing minimum grant amounts to approximately one-fourth of maximum grants, thereby making minimum grants a meaningful award.
- Extending tables to include up to ten children, thereby removing inequities in the existing tables for families with more than five children.
- Making all income ranges $1,000, thereby assuring an equitable relationship between income and grant size. Existing tables should increase by $1,000 increments except for a $3,000 increment between $11,000 and $13,999.

We also recommend extending these proposed grant tables on a sliding scale basis at a later date to accommodate higher income families with large numbers of dependents. This recommendation is based on the similarity in need--as reflected in the tables--between one income range for a given number of dependents and the next income range for one more dependent and so on. The impact of this change would be to make students from families up to $20,000 to $24,000 eligible depending on the number of dependents.

Exhibit VIII, following this page, presents all recommended changes except the sliding scale. Exhibit IX, following Exhibit VIII, includes the sliding scale.

EXHIBIT VIII (1)

RECOMMENDED GRANT TABLES FOR OIG PROGRAM

WITHOUT SLIDING SCALE

Where the Instructional and General Charges are less than $1,000 (The Grant shall not exceed the total instructional and general charges of the institution.)

Adjusted Effective Income	Number of Dependent Children									
	1	2	3	4	5	6	7	8	9	10+
$ 5,000 - Under	780	780	780	780	780	780	780	780	780	780
$ 5,001 - $5,999	720	780	780	780	780	780	780	780	780	780
$ 6,000 - $6,999	660	720	780	780	780	780	780	780	780	780
$ 7,000 - $7,999	600	660	720	780	780	780	780	780	780	780
$ 8,000 - $8,999	540	600	660	720	780	780	780	780	780	780
$ 9,000 - $9,999	480	540	600	660	720	780	780	780	780	780
$10,000 - $10,999	420	480	540	600	660	720	780	780	780	780
$11,000 - $11,999	360	420	480	540	600	660	720	780	780	780
$12,000 - $12,999	300	360	420	480	540	600	660	720	780	780
$13,000 - $13,999	240	300	360	420	480	540	600	660	720	780
$14,000 - $14,999	180	240	300	360	420	480	540	600	660	720
$15,000 - Over	-	-	-	-	-	-	-	-	-	-

EXHIBIT VIII (2)

Where the Instructional and General Charges are more than $1,000 (The Grant shall not exceed the total instructional and general charges of the institution.)

Adjusted Effective Income	Number of Dependent Children									
	1	2	3	4	5	6	7	8	9	10+
$ 5,000 - Under	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
$ 5,001 - $ 5,999	1850	2000	2000	2000	2000	2000	2000	2000	2000	2000
$ 6,000 - $ 6,999	1700	1850	2000	2000	2000	2000	2000	2000	2000	2000
$ 7,000 - $ 7,999	1550	1700	1850	2000	2000	2000	2000	2000	2000	2000
$ 8,000 - $ 8,999	1400	1550	1700	1850	2000	2000	2000	2000	2000	2000
$ 9,000 - $ 9,999	1250	1400	1550	1700	1850	2000	2000	20h0	2000	2000
$10,000 - $10,999	1100	1250	1400	1550	1700	1850	2000	2000	2000	2000
$11,000 - $11,999	950	1100	1250	1400	1550	1700	1850	2000	2000	2000
$12,000 - $12,999	800	950	1100	1250	1400	1550	1700	1850	2000	2000
$13,000 - $13,999	650	800	950	1100	1250	1400	1550	1700	1850	2000
$14,000 - $14,999	500	650	800	950	1100	1250	1400	1550	1700	1850
$15,000 - Over	-	-	-	-	-	-	-	-	-	-

EXHIBIT IX (1)

RECOMMENDED GRANT TABLES FOR OIG PROGRAM

WITH SLIDING SCALE

Where the Instructional and General Charges are less than $1,000 (The Grant shall not exceed the total instructional and general charges of the institution.)

Adjusted Effective Income	Number of Dependent Children									
	1	2	3	4	5	6	7	8	9	10+
$ 5,000 - Under	780	780	780	780	780	780	780	780	780	780
$ 5,001 - $ 5,999	720	780	780	780	780	780	780	780	780	780
$ 6,000 - $ 6,999	660	720	780	780	780	780	780	780	780	780
$ 7,000 - $ 7,999	600	660	720	780	780	780	780	780	780	780
$ 8,000 - $ 8,999	540	600	660	720	780	780	780	780	780	780
$ 9,000 - $ 9,999	480	540	600	660	720	780	780	780	780	780
$10,000 - $10,999	420	480	540	600	660	720	780	780	780	780
$11,000 - $11,999	360	420	480	540	600	660	720	780	780	780
$12,000 - $12,999	300	360	420	480	540	600	660	720	780	780
$13,000 - $13,999	240	300	360	420	480	540	600	660	720	780
$14,000 - $14,999	180	240	300	360	420	480	540	600	660	720
$15,000 - $15,999	-	180	240	300	360	420	480	540	600	660
$16,000 - $16,999	-	-	180	240	300	360	420	480	540	600
$17,000 - $17,999	-	-	-	180	240	300	360	420	480	540
$18,000 - $18,999	-	-	-	-	180	240	300	360	420	480
$19,000 - $19,999	-	-	-	-	-	180	240	300	360	420
$20,000 - $20,999	-	-	-	-	-	-	180	240	300	360
$21,000 - $21,999	-	-	-	-	-	-	-	180	240	300
$22,000 - $22,999	-	-	-	-	-	-	-	-	180	240
$23,000 - $ [illegible]	-	-	-	-	-	-	-	-	-	180
$24,000 - Over	-	-	-	-	-	-	-	-	-	-

EXHIBIT IX (2)

Where the Instructional and General Charges are more than $1,000 (The Grant shall not exceed the total instructional and general charges of the institution.)

Adjusted Effective Income	Number of Dependent Children									
	1	2	3	4	5	6	7	8	9	10+
$ 5,000 - Under	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
$ 5,001 - $ 5,999	1850	2000	2000	2000	2000	2000	2000	2000	2000	2000
$ 6,000 - $ 6,999	1700	1850	2000	2000	2000	2000	2000	2000	2000	2000
$ 7,000 - $ 7,999	1550	1700	1850	2000	2000	2000	2000	2000	2000	2000
$ 8,000 - $ 8,999	1400	1550	1700	1850	2000	2000	2000	2000	2000	2000
$ 9,000 - $ 9,999	1250	1400	1550	1700	1850	2000	2000	2000	2000	2000
$10,000 - $10,999	1100	1250	1400	1550	1700	1850	2000	2000	2000	2000
$11,000 - $11,999	950	1100	1250	1400	1550	1700	1850	2000	2000	2000
$12,000 - $12,999	800	950	1100	1250	1400	1550	1700	1850	2000	2000
$13,000 - $13,999	650	800	950	1100	1250	1400	1550	1700	1850	2000
$14,000 - $14,999	500	650	800	950	1100	1250	1400	1550	1700	1850
$15,000 - $15,999	-	500	650	800	950	1100	1250	1400	1550	1700
$16,000 - $16,999	-	-	500	650	800	950	1100	1250	1400	1550
$17,000 - $17,999	-	-	-	500	650	800	950	1100	1250	1400
$18,000 - $18,999	-	-	-	-	500	650	800	950	1100	1250
$19,000 - $19,999	-	-	-	-	-	500	650	800	950	1100
$20,000 - $20,999	-	-	-	-	-	-	500	650	800	950
$21,000 - $21,999	-	-	-	-	-	-	-	500	650	800
$22,000 - $22,999	-	-	-	-	-	-	-	-	500	650
$23,000 - $23,999	-	-	-	-	-	-	-	-	-	500
$24,000 - Over	-	-	-	-	-	-	-	-	-	-

FOOTNOTES TO CHAPTER III

[1]June, 1974 data from the Office of Economic Opportunity.

[2]Student Assistance Office, Ohio Board of Regents.

[3]Student Inventory Data, Ohio Board of Regents (1974).

[4]Financing Part-time Students: The New Majority in Postsecondary Education, Report of the Committee on the Financing of Higher Education for Adult Students to the Office of Governmental Relations, American Council on Education (Washington, D. C.: The Council, 1974), pp. 2, 40.

[5]Financing Part-time Students, op. cit.

[6]Colorado, Connecticut, Delaware, Idaho, Illinois, South Dakota, Tennessee, and Wisconsin. Boyd, Joseph D., "Sixth Annual Survey of State Scholarship/Grant Programs," National Association of State Scholarship Programs (October, 1974).

[7]Connecticut, Delaware, Massachusetts, New Jersey, Oregon, Pennsylvania, Rhode Island, and Vermont. Boyd, Ibid.

[8]Pennsylvania Higher Education Assistance Agency, The Matter of Choice: A Study of Out-of-State Use of Grants Financed by Appropriations from the State Legislature in Pennsylvania (November, 1974), p. 8.

[9]Letter addressed to Kenneth R. Reeher, Executive Director, Pennsylvania Higher Education Assistance Agency (PHEAA), from the Advisory Committee to the PHEAA Out-of-State Eligibility Study (November, 1974), p. 2.

[10]California, Delaware, Idaho, Kentucky, Maine, Maryland, Michigan, New York, Pennsylvania, South Dakota, and Vermont. Boyd, op. cit.

[11]Delaware, Michigan, New Jersey, New York, Texas, and Wisconsin. Boyd, op. cit.

IV. ADMINISTRATION OF THE OHIO INSTRUCTIONAL GRANTS PROGRAM

The Ohio Instructional Grants Program needs to meet the needs and expectations of participants in the program--students, educational institutions, the Ohio Legislature, the Governor, and the Ohio Board of Regents--in an equitable and expeditious manner. This chapter presents recommendations and priorities for improving the administration of the OIG program by the Ohio Board of Regents. The chapter is divided into four broad areas which together define our expectations for the administration of the CIG program.

- Improve communications among the various participants in the program and make policies, procedures, and forms as simple and informative as possible.
- Speed up the processing of the grant applications, award certificates, and institution payments.
- Provide flexibility within the program for adjustments in grant deadline dates, increased application volumes, and unforeseen circumstances.
- Establish equitable consideration for all grant applicants.

COMMUNICATIONS

Communications concerning the OIG program and its operations need to be regularly provided to and exchanged among institutions and individuals affected by the program. The lack of programmatic and operational knowledge may limit the access of eligible students to higher education institutions.

1. OIG program information should be broadly disseminated on a timely basis using all available media.

   OIG program information needs to reach the potential grant recipient or the recipient's advisor, be it parent, high school counselor or college financial aid officer, prior to the time decisions about

higher education are being made. Information should answer major questions concerning the program and be supplemented with direct assistance, as necessary, to prepare grant applications.

Seven recommendations are presented for improving communication of OIG program information. The first four have been assigned top priority; the remaining three, second priority.

The four top priority recommendations are:

(1) OIG applications and brochures describing sources of financial assistance should be made available no later than October 1 of each year.

OIG program applications, a basic descriptive brochure, and other information are currently mailed to high schools and higher education institutions in the middle of December, even though high school student inquiries about higher education opportunities start at the beginning of the school year in September. By providing students with complete packets of applications in September instead of later in the school year after higher education decisions might have already been made, the probability of a student postively considering higher education opportunities and applying for an OIG grant could increase.

The main obstacle to this recommendation is that applications for two different school years could be available to students at the same time, increasing the likelihood of students submitting the wrong application. Numerous cases of applications submitted on previous years' forms have been documented by the Student Assistance Office of the Ohio Board of Regents. Other states that have applications outstanding for two years indicate

that the slight increase in administrative burden was probably more than offset by their being able to reach students from low and moderate income families earlier in the school year.

We recommend that OIG program applications be distributed no later than October 1, in spite of the minor administrative problems, so as to reach low and moderate income students early enough to influence their decisions on higher education. In addition, we are making recommendations for safeguarding against completing applications for the wrong year later in this section.

(2) High schools should be provided with enough applications for every high school senior.

OIG program applications, the basic descriptive brochure, a policy manual, and posters are currently distributed to each high school listed in the Directory of Ohio School Counselors prepared by the State Department of Education. City high schools receive 200 applications each and exempted village schools, county and local schools, and non-public schools receive 100 applications each. The time consumed in responding to large urban high schools' requests for additional copies can amount to lengthy delays before a number of students receive OIG applications.

We recommend that high schools be provided with a dependent application for every senior and a supply of independent applications so that high school counselors can distribute them to every potential grant recipient, thereby reducing delays in obtaining applications. Counselors should also be asked to provide seniors with the federal Basic Educational Opportunity

Grant (BEOG) applications at the same time.

To implement this recommendation, we suggest that available information on actual class size by high school be utilized:

- The State Department of Education can produce a count of students by class for each high school. This would include the city, exempted village, and county and local school districts. The junior class list can be made available by January or February of each year and should be used for mailing applications to the senior class the following fall. The State Department of Education can also produce mailing labels addressed to each high school principal. Precounting applications in batches of 50 and rounding off required mailing amounts to the next highest 50 would reduce the processing load substantially.

- The six state Catholic Dioceses have available class size statistics for each high school. If the total supply of applications for each diocese was mailed to the respective central office, the central offices could mail the appropriate number of copies to the high schools.

By utilizing the available information on actual class size by high school, sufficient copies of OIG applications could be mailed to high school counselors for the October 1 distribution to seniors.

(3) A program of mass media announcements on the availability of Ohio Instructional grants should be undertaken.

The Ohio Board of Regents should undertake a program of mass media announcements on the availability of Ohio Instructional grants, indicating who is eligible to receive a grant, where applications can be obtained, and what level of grant awards are available. The Ohio Board of Regents' current efforts include:

- Issuance of news releases twice a year:

  - In December, announcing the availability of the applications, where they can be obtained, and other general information about the OIG program.

  - In June, at the end of the school year, noting the approach of the August deadline and encouraging students to apply.

An October news release is prepared, announcing the extension of the deadline date to December 1, if funds are still available. News releases were previously issued every 60 days, however, few were utilized by the media. Television coverage of the program has been especially poor.

- Inclusion of announcements in college newspapers. Coverage by colleges has been excellent and methods of getting information to high school newspapers is being investigated.

Subject to the recommendations affecting deadline dates which are discussed in the flexibility section of this chapter, we endorse the current effort. In addition, we recommend the following:

- Mass media announcements should emphasize that the program is an entitlement, not a handout or a dole as some potential recipients or their parents believe.

- A cover letter and copies of any news releases should be sent to selected groups and individuals who will serve as friends of the OIG program. These groups and individuals would follow through with the media in their locality to assure that coverage is obtained.

- The feasibility of working with the Ohio College Association, the Association of Independent Colleges and Universities of Ohio, and other groups which prepare pamphlets and mass media announcements referencing the OIG program should be investigated. For example, the U. S. Department of Health, Education, and Welfare recently funded a number of pilot Education Opportunities Centers nationwide, including the Dayton-Miami Valley Consortium covering a 7-county area in Ohio. The main purpose of the Center is to tell non-traditional students (veterans, handicapped, and older students) about available financial aid and provide assistance in the completion of forms. The Center operates a mobile unit which tours colleges, universities, fairs, and major community gatherings. In addition, the Center's published material includes a financial aid bulletin which describes the OIG program. OIG application material is made available in the Center's office and mobile unit. These communication efforts should be investigated and coordinated in order to encourage as many individuals as are eligible to apply for an Ohio Instructional grant.

- Mass media announcements should be directed to all eligible recipients, especially those who are out of school and not normally reached by high school counselors.

(4) A video tape and film presentation on the OIG program should be made available on a widespread basis in the 1975-6 school year.

An informational video tape and film on the OIG program and other federal and institutional student assistance is currently under preparation by the Ohio Board of Regents. The video tape/film should be available for use by high school counselors, financial aid officers, community organizations, and information centers such as newspapers, radio and TV stations, and public libraries.

The 30-minute video tape/16 mm film presentation is being developed in conjunction with the educational television (ETV) network and WOSU-TV. An initial draft of the script has already been prepared. Production is scheduled to start in April, 1975, and the film should be made available for distribution in September, 1975.

Copies of the film are scheduled to be made available to each of the Ohio Department of Education's Media Centers throughout the state. These centers will provide the film to the various high schools within each region for showing at college nights and to groups of graduating seniors and possibly juniors. Copies of the presentation in video tape format will be made available to the ETV network for the purpose of periodic broadcasting throughout the state. Copies will be sent to the various commercial television stations throughout the state for the purpose of broadcasting on public service programs. Additional copies will be made available to colleges and universities.

We endorse the current project and recommend that potential

users be notified about the film in advance of the September distribution.

The three second priority recommendations are:

(5) A mass mailing of OIG information to high school seniors and prior-year recipients should be undertaken.

In addition to distributing applications at high schools and colleges, an effort should be made to reach students and their parents through direct home mailings of OIG program application materials. We recognize that this may provide duplicate applications to some students; however, parental impetus could be significant.

Identifying sources and compiling lists of high school students may take time to develop. As a first step, we endorse the current purchase of the names of Ohio students taking the American College Testing (ACT) Program tests and their use as a mailing list for sending an OIG application, the basic descriptive brochure, and a cover letter to these particular students. We recommend that the effort be evaluated and continued in future years if it proves effective. We further recommend that other lists of students, such as those taking the Scholastic Aptitude Test (SAT) of the College Scholarship Service and the College Level Examination Program (CLEP) of the College Entrance Examination Board, which is directed at advance college placement for older students, be evaluated yearly to determine if the purchase and utilization of other lists would be advisable.

We recommend that, if possible, the application be addressed to both students and their parents. Since most of the applications

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being mailed are to potential dependent students and the dependent student application does not refer to the availability of an independent student application, we recommend that the independent student application be mentioned in the cover letter. In addition, we are recommending consolidation of the dependent and independent applications later in this section, an action which would make this reference unnecessary in future school years.

(6) A follow-up letter should be sent to students who do not respond to the initial mass mailing.

We recommend that three to four months after the initial mailing a follow-up letter be sent to students who did not respond and who attend high schools with a high proportion of students from low and moderate income families. The letter should encourage these students to investigate opportunities for higher education and emphasize the availability of student assistance to help them. We further recommend that a list of students that have not submitted applications be made available to each high school counselor so that he or she could then follow-up with those students.

(7) The four regional information centers proposed by the Ohio Board of Regents should provide an outreach service for the OIG program.

The Ohio Board of Regents is recommending that four information, recruiting, and referral centers be established throughout the state to provide information and referral services to potential students in higher education institutions. We recommend that these centers also perform the following services for the

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OIG program:

- Serve as an information center for the OIG program and other forms of federal and institutional student assistance.
- Distribute copies of OIG and BEOG program applications.
- Facilitate the completion of OIG program applications and other financial assistance by students and parents.

To perform these services adequately, the centers should be located in the community and be open during evenings and weekends to accommodate the schedules of students and their parents. We further recommend that the technical education recruiters proposed by the Ohio Board of Regents to increase enrollments in technical and certificate programs also provide an outreach service for the OIG program, notifying potential students of the availability of the program and assisting them in obtaining and completing OIG program applications.

2. Students and their parents should be kept informed about the status of their applications on a monthly basis.

Grant certificate awards and denials are currently issued four times a year, in February, June, August, and December. A period of three months may elapse from time of submission until a grant award or denial notification reaches the student. Such long waiting periods can be detrimental to the student, especially the low and moderate income student unsure about pursuing a higher education and easily discouraged by such a drawn out process.

To avoid long waiting periods without communication from the Ohio Board of Regents, we recommend the following two actions in the

order of priority presented:

- Applicants should be notified within a month concerning the disposition of their applications. If a decision is still pending following the initial month, monthly status notifications should be sent to the applicant until the application is approved or denied.

- Receipt of OIG applications should be acknowledged by the Ohio Board of Regents upon receipt.

The procedures for implementing these recommendations will be discussed in a Processing section of this chapter.

3. Written materials describing the OIG program should be revised and updated annually.

We recommend that the OIG program application, descriptive brochure, policy manual, and other materials be revised and updated on an annual basis. The policy manual, OIG application, and basic brochure should be revised before the 1975-6 school year to reflect the changes recommended in this report.

(1) The policy manual should be comprehensible to both the new and the experienced user.

The current manual assumes a level of familiarity about the program that new counselors and financial aid officers may not necessarily possess. As a result, the manual is not readily comprehensible by new users without extensive study.

We recommend a revision of the policy manual to make it clearer and more comprehensive, by:

- Restructuring and reorganizing material. Eligibility requirements and payments are discussed in several sections of the current manual and should be consolidated.

- Writing the manual less legalistically. Reference is made to various state codes to which the reader would not have ready access and which are not clearly explained in the current manual.

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- Clearly defining terms used frequently in the OIG program.

The initial manual which was produced in 1970 included input from an eight to nine-member advisory committee. Since that time, comments on the manual have been obtained annually by the Director of the Student Assistance Office through regional meetings twice a year with financial aid officers. These regional meetings provide for the dissemination of pending policy information by the Student Assistance Office and input from the financial aid officers.

The manual is printed in July for distribution in December. Changes and additions that occur after the manual has been published and circulated are provided to counselors and financial aid officers in the form of memos which are to be included in the manual.

We recommend that the current system for obtaining input about the manual and other material be continued. However, since specific manual problems, as previously detailed, do exist, we recommend that other means be employed to update the manual. A few possible recommendations follow:

- Hold several manual revision meetings with selected financial aid officers and high school counselors a month or two prior to finalizing the manual for printing. In addition, the OIG Advisory Committee that is recommended later in this section could assist in annually revising the policy manual.
- Include in the cover letter transmitting the manual and on a returnable form in the manual, a request for ways of improving the manual and other OIG program materials.
- Use a professional editor to review the manual as well as the application and basic brochure prior to printing.

(2) The OIG application should be easy to understand and simple to complete and process.

The OIG application is only one of a half dozen or more

documents that students and their parents may have to complete in applying for financial assistance. Faced with this confusing array of complex information requests, many students and parents needing aid may not apply because of the effort involved.

The problem created by multiple, complex application forms has been recognized at the national level. The Task Force on Student Assistance (Keppel Task Force) has been organized to develop a common financial information form. A prototype of a Student Common Data Form has been developed and will be field tested during the spring of 1975. We endorse this effort. The Ohio Board of Regents should maintain contact with the Task Force through the testing and development of methods to process the form. We recommend that as soon as the major national associations have adopted the form that it be evaluated by the Ohio Board of Regents for use in the OIG program.

Until the common data form is implemented, we recommend that the current OIG application be kept as simple and direct as possible. More specifically, we recommend the following:

- The dependent and independent applications should be combined into a single application form.
- The application should clearly reflect the specific dates of usage, including an expiration date for applications and the period of time the grant covers, such as September, 1975 through August, 1976. States with two different grant year applications outstanding at the same time stressed the need for special emphasis on grant and deadline dates in applications to prevent, as much as possible, wrong-year application submissions.
- The application should include the phone number and address of the Ohio Board of Regents Student Assistance Office to provide applicants with a means of personally contacting the Student Assistance Office.

- An identifying code should be added for high schools and used to prepare lists of grant applicants for high school counselors.

- A post office box should be obtained for applications submitted to the Ohio Board of Regents to avoid mailing difficulities resulting from periodic changes in the location of the Student Assistance Office.

(3) Information provided by the basic descriptive brochure should be expanded.

In addition to descriptions of the state, federal, and institutional student aid programs, we recommend that the basic brochure stress the benefits of higher education to high school students. Also, the brochure should indicate that the OIG program is an entitlement, not a handout or a dole as some recipients or their parents currently believe.

4. An OIG Advisory Committee should be established to maintain communications between the Ohio Board of Regents and the program participants.

We recommend the establishment of an Ohio Instructional Grants Advisory Committee to provide ongoing input to the Board of Regents on issues, policies, and administrative practices relating to the OIG program. With systematic and constant review of the program, future ad hoc advisory committees of the current committee's magnitude and nature may be unnecessary.

We recommend the following general parameters for the OIG Advisory Committee:

- The committee members should serve in an advisory capacity only.

- The committee members should serve on a voluntary basis without salary.

- The committee membership should include representatives of all participants in the OIG program, including financial

aid officers, students, high school counselors, state legislators, and the general public.

We suggest the implementation of the techniques recommended in this section and the assessment of their practicality and effectiveness at the end of the 1975-7 biennium. One way to test the effectiveness of communication techniques would be to insert an information item on the OIG program application asking applicants to indicate how they found out about the OIG program, obtained an application, and received assistance in the application's preparation. If individually or collectively the communication techniques appear to have a desirable impact, then they might merit modification and continuation, or if the opposite appears to be the case, termination. By the end of the 1975-7 biennium, the OIG program might become well enough known that some of the communication techniques could be curtailed or even eliminated for the 1977-9 biennium.

PROCESSING

The Ohio Board of Regents needs to use the most effective, simplest, and least expensive means of processing documents pertaining to the OIG program. The Board's internal systems need to be designed to meet not only the state government's needs but the needs of the various program participants.

The Ohio Board of Regents has done an exceptional job in processing applications and grant payments given the staffing level for the program, the budget for data processing and other expenses, and the restrictions of the state system within which it operates. For the dollar amount of grants administered by the Ohio Board of Regents, the cost for administration

is low when compared to other states.[1]

As designed and operated, the current system is simple, compact, and provides adequate control over documents and procedures to verify the accuracy of data. Because of its financial and operational compactness, however, the current system lacks the flexibility to respond to all participants' expectations without additional staff, administrative cost, and legislative or structural changes.

The Student Assistance Office of the Ohio Board of Regents has proposed the installation of an on-line terminal data processing system to make further improvements in the administration of the OIG program. With an on-line system, an operator sitting at a terminal in the Ohio Board of Regents office would be able to enter data from applications, verify the accuracy of the data, and make corrections before the application information was entered into the computer system. The current procedures of batching in the office, punching data outside of the office, verifying, editing, and correcting application data with repeated follow-ups requires many days to complete. As designed, the proposed system would provide the additional flexibility and control needed to implement many of the recommendations in this chapter. Design and operational questions are currently being discussed with the Ohio Department of Administrative Services, responsible for the state's data processing facilities. Rather than the on-line system, the Department of Administrative Services is proposing that the

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[1]Out of 25 states, including comparable states such as California, Illinois, Michigan, New Jersey, New York, and Pennsylvania, only one other state equalled Ohio's low administrative budget, an amount equal to only 1.2 percent of the 1974-5 grant payout dollars. Other states' percentages ranged from 1.2 percent to 8.2 percent. The average administrative budget to total dollar payout percentage for the 25 states was 3.1 percent and the median 2.7 percent. Boyd, Joseph D., "Sixth Annual Survey of State Scholarship/Grant Programs," Special Section, National Association of State Scholarship Programs (October, 1974).

Board of Regents prepare daily tapes of data, enter that data into the data processing system each night and receive a print-out the following day, a one day turn-around as opposed to the instantaneous feedback from an on-line terminal system. The Ohio Board of Regents proposes to implement a new data processing system by December, 1975.

Recommendations for improving processing in the OIG program are presented in the remainder of this section.

1. The OIG program should be funded at least one year in advance to remove any uncertainties concerning the availability and size of grants.

In the second year of each biennium, uncertainty exists concerning the availability of funds and size of grant awards. Applications are currently mailed in December but the Ohio Legislature usually does not appropriate program funds until June of the following year. A student receiving a grant certificate in March could find in July that the actual grant could be more or less than initially awarded. From an administrative and planning standpoint, this situation is an extremely difficult one for all participants, especially the Ohio Board of Regents which is constrained in carrying out its responsibilities as prescribed by Ohio law.

We recommend that the current dilemma be resolved by forward funding the Ohio Instructional Grants Program one year in advance of the school year for its use. This advanced funding could be accomplished by making appropriations for the OIG program for the 1975-6, 1976-7, and 1977-8 school years in the 1975-7 biennium and for successive two-year periods in future biennia. Other alternatives which could be considered include:

- Consider the OIG program as a separate budget item early during the legislative session and make decisions on funding levels

and grant tables prior to the end of the current biennium.

- Amend the grant tables early in the second half of the current biennium with the provisio that they could be amended by the next session of the legislature contingent upon availability of funds.

The federal government has recognized this funding difficulty and has provided one-year advanced funding for the Basic Educational Opportunity Program.

In calculating the amount of the biennial appropriation request, the Ohio Board of Regents should evaluate the need to adjust the maximum income ceilings to reflect changes in the Consumer Price Index. Many state and federal financial aid programs are no longer extending benefits to the percentage of population they initially intended to reach since the percentage of population earning below the established maximum income levels has been decreasing annually due to inflation.

2. Notification of grant awards should be made monthly throughout the application period.

We recommend that applications be processed and grant award certificates or denial notifications be issued within one month, speeding up the processing of applications which currently occurs only three to four times during the application period.

The proposed data processing system for the OIG program would facilitate this recommendation as well as the previous recommendations to acknowledge receipt of applications and provide monthly status reports to applicants on pending applications. If problems arise that will seriously delay the implementation of the new data processing system, then the combination manual and computer system currently employed by the Ohio Board of Regents should be revised so that these

recommendations can be implemented for the 1975-6 school year. Our review of the current process indicates that these recommendations are implementable if the computer facility can provide timely processing turn-around for grant applications.

3. Grant payments to higher education institutions should be made earlier in the school year.

An eligible applicant for an Ohio Instructional grant is currently issued a certificate indicating the maximum amount of the grant award depending upon whether the student will attend a public or private higher education institution. The institutions are sent initial rosters after each processing date based on the college choice indicated by the student. At the time of enrollment, the student presents the certificate to the institution. The institution calculates the actual grant amount based on their instructional and general fees, summarizes the amounts from all grants, and submits the certificates and summary to the Ohio Board of Regents for payment. Based on the certificates received, the Ohio Board of Regents prepares a final roster of the grant recipients attending each institution. Partial payments are made to public institutions each school quarter; one check is written to each institution for the total number of students' grants. For students attending private institutions, individual grant checks are prepared for each student covering the entire school year. The checks are mailed to the institution. The student endorses the check over to the college if the full instructional and general fee costs have not been paid by the student.

In general, public institutions receive their initial payment and private institutions their total payment in December. To facilitate

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processing of grant payments and allow for a timely cash flow to institutions, we recommend the following:

- At their option, higher education institutions should be able to request and validate grant rosters on computer tape instead of the present paper roster. A recent survey indicated that of the 90 institutions participating in the OIG program, 20 expressed an interest in a tape-to-tape system. The 20 institutions include the state's largest higher education institutions accounting for 23,795 grants or approximately 58 percent of total grants in the 1973-4 school year. This volume of grants would indicate that the Board of Regents should proceed with the implementation of this recommendation.[2]

- Institutions should be entitled to receive some reimbursement of grant payments prior to the submission of grant certificates. We recommend that the Ohio Board of Regents, in conjunction with the State Auditor, Office of Budget and Management, and, if necessary, the Ohio Legislature and Office of the Attorney General, develop a system whereby payments can be based on both certificates and other documents. The details of the system will need to be developed depending on the results of preliminary meetings with the State Auditor's office. Perhaps, the system could be modeled after the monthly payment system for distributing the annual student instructional subsidy to each of the public higher education institutions. Under this system, payments for the first six months are based on estimated student enrollments and for the last six months on the actual number of full-time equivalent students adjusted for the first six months payments.

4. A feasibility study should be conducted to determine whether the state's student assistance programs should be administered by a single agency.

The State of Ohio should study the feasibility of creating a single agency to administer the grant and loan programs of student assistance which are separately administered by the Ohio Board of Regents and Ohio Student Loan Commission in order to coordinate programs, processing, and effectively utilize available funds.

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[2]Student Assistance Office, Ohio Board of Regents.

FLEXIBILITY

The OIG program needs to be flexible enough to allow for changes in deadline dates if the program is underutilized, for the completion of incomplete applications, and for changes in the size of grant awards if the program is oversubscribed.

We recommend that the following actions be taken to increase flexibility in the OIG program:

- An early August deadline should be maintained so that applicants can be assured of receiving full year grants early in the school year.
- If funds are still available after the August 1 deadline, applications should be processed on a first-come first-serve basis until all grant funds are utilized. Information about funds available after August 1 should be provided through news releases and letters to college financial aid officers.
- If an incomplete application is received, the applicant should have 30 days to complete the application, even after the August filing deadline. Applicants with incomplete applications subsequent to the filing deadline should receive grants only if surplus funds exist after grants are made to applicants with complete applications.
- If at the close of the August deadline, program funds are insufficient to meet student needs and additional funds cannot be obtained from the Controlling Board or the Ohio Legislature, grant applicants from families with the highest income levels should be eliminated level by level until the total of grant awards equals available funds.

These actions should be detailed in the instructions for the OIG application so that applicants are aware of processing deadlines as well as the consequences of incomplete applications and program oversubscription.

EQUITY

All applications need to be given equitable consideration under the OIG program. Since eligibility for a grant and the size of a grant award are dependent on income determinations, income should be equitably defined

calculated, and applied to all applicants.

1. The independent student should be afforded equitable treatment.

We endorse the current OIG program policy of not encouraging students' disassociation from parents but encourage parity for students who must be independent.

We have studied some of the major considerations in providing equitable treatment for independent and dependent students. These considerations are presented in the Appendix, following the text of this report. A study of equity for the independent student, however, will take considerable time and effort to evaluate thoroughly. We, therefore, recommend that an ongoing effort by the proposed OIG Advisory Committee be to further study this topic and develop recommendations for achieving equitable treatment for dependent and independent students.

2. Income taxes and certain payroll deductions should be subtracted from expendable income when determining adjusted effective income.

The Ohio Board of Regents defines adjusted effective income as income available to the family for the purchase of services and goods. The applicant, in supplying income data, is asked to subtract the amount of state taxes. Based on tables supplied by the Internal Revenue Service, the Ohio Board of Regents adjusts the applicant's income by the estimated federal tax liability.

Other income deductions have as much impact on the availability of spendable dollars as state and federal income taxes. We recommend that the following deductions be excluded in the adjusted effective income calculations:

- Social security (Federal Insurance Contributions Act) and public employees retirement system deductions should be

excluded. The impact of these deductions on spendable income is substantial. Currently, the employee's share of social security is 5.85 percent of gross salary up to $14,000 of income, or a maximum of $824.85 a year. The state's Public Employees Retirement System deduction is 8 percent which on a salary of $15,000, for example, amounts to $1,200 a year. Other public retirement systems have equally high rates.

- Ohio city income taxes should be excluded. The current city income taxes range from .25 percent to 2 percent. Out of 349 cities in Ohio, 279 or 80 percent have a tax rate of 1 percent. Twenty-nine or 8 percent have rates over 1 percent: Akron, Columbus, Springfield, Toledo, and Youngstown have a 1.5 percent rate; Cincinnati has a 2 percent rate: and most of the other large cities have a 1 percent rate. For many individuals and families, the amount of city income tax could be equal to or greater than the Ohio state tax.

3. Financial awards from a higher education institution should not be considered in determining adjusted effective income.

We recommend that no portion of a student's financial award from a college or university including student employment programs should be included in the determination of a student's eligibility for an Ohio Instructional grant.

The inclusion of a student's financial award presents particular problems for returning independent students that have participated the previous year in a student employment program. The previous year's earnings through the student employment program, which was provided initially because the student had financial need, are included in the calculation of the OIG program grant award in the current year. In many cases, including these earnings reduce the student's grant, thus forcing the student to seek other funding or an increased work load. The following year the situation is further aggravated because the student's "income" has increased, thus reducing the OIG program grant once again.

4. In the event of unforeseen changes in income, the grant award should be reassessed based on current income data.

Grant recipients should be provided the opportunity to appeal for reconsideration of the grant amount and submit additional information about income if circumstances have changed since the initial submission. We recommend that under the following conditions, the grant recipient be entitled to the right to appeal:

- The death or total disability of anyone whose income was included in the determination of the student's eligibility.
- The separation or divorce of anyone whose income was included in the determination of the student's eligibility.
- The loss of employment for ten consecutive weeks or a total of ten weeks within a year of anyone whose income was considered in the determination of a student's eligibility.

The Student Assistance Office on February 12, 1975 issued procedures for handling appeals. Our recommendations differ from the February 12 definitions by expanding changes in circumstances to include "anyone whose income was considered in determination of a student's eligibility," not just "parents." Also, we recommend modifying the definition of loss of employment for ten weeks from ten consecutive weeks to a total of ten weeks in a year.

Since changes in circumstances can occur anytime in the school year, we recommend that the student's appeal rights be extended to May 1.

We recommend that the appeals process of the Student Assistance Office be expanded to include the above definitions and formally published in the policy manual and SIG application instructions.

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5. Income information provided by grant recipients or their families sho[illegible] be selectively audited.

[illegible] recommend that the current audits of income information supplied by ap[illegible]cants be continued. We further recommend that the audits be perfor[illegible] on applications selected on a random basis from a statistically valid sample of dependent and independent recipients each year to check the validity of the income information provided by applicants or their families.

* * *

The administrative recommendations presented in this chapter are generally expressed in terms of desired ends from the perspective of the various external participants in the OIG program. Where we have developed specific means for achieving the desired ends, we have presented them in our recommendations. Where we have not developed specific means, we defer to the wisdom of the Ohio Board of Regents to develop the means to implement these important administrative recommendations.

V. PROJECTED COSTS FOR THE OHIO INSTRUCTIONAL GRANTS PROGRAM

Increasing grant size, extending eligibility to new categories of students, and improving program administration will increase the level of funding for the OIG program. This chapter presents the projected costs of the recommendations made in the previous two chapters.

1. Recommendations for larger grants and extending eligibility to half-time and nursing students would increase the level of OIG program funding by an estimated $50 million in the 1975-7 biennium.

The base program for the 1975-7 biennium, assuming a small growth of 1,000 students annually, is estimated to be $40,185,000. Adding on the cost of our first priority recommendations would increase the 1975-7 biennial cost to an estimated $69,436,000. Adding the cost of our second priority recommendations would increase the 1975-7 biennial cost to an estimated $90 million. No cost projections have been developed for extending grants to students enrolled in out-of-state institutions based on equal reciprocity arrangements, but this is assumed to add only a small cost in the 1975-7 biennium. Exhibit X, following this page, presents each of the first and second priority growth recommendations and their associated costs.

The primary assumptions involved in making these cost projections are as follows:

- No growth over the 1974-5 school year is assumed for new groups of students added in the 1975-7 biennium.
- The same distribution of students by income range and number of family dependents will occur in the 1975-7 biennium as in the 1974-5 school year.
- Approximately 80 percent of Ohio residents in Ohio higher education institutions are eligible to participate in the

EXHIBIT X

SUMMARY OF PROJECTED COSTS OF

PRIORITY PROGRAMMATIC RECOMMENDATIONS

FOR 1975-7 BIENNIUM

Priority	Estimated Cost in 1975-7 Biennium (in thousands)	Cumulative Estimated Cost in 1975-7 Biennium (in thousands)
Base Program	40,185	40,185
. Eligibility for full-time undergraduate students in public and private non-profit institutions		
. Maximum grants of $600 and $1500 in public and private institutions, respectively		
. Grants for students from families with adjusted effective incomes up to $14,999		
First Priority		
. Increase maximum grants to $780 and $2000 in public and private institutions, respectively	21,000±	61,185±
. Increase minimum income level from $4000 to $5000	7,524±	68,709
. Extend grant tables to 10 dependent children	727	69,436
Second Priority		
. Extend eligibility to half-time students taking from 6 to 11 credit hours	15,236	84,672
. Extend eligibility to students in hospital-based nursing and health professions programs	5,226	89,898

9000

OIG program. This percentage is based on the 1970 census data which indicated that approximately 79 percent of families have incomes under $15,000. Some families with incomes over $15,000 have adjusted effective incomes under $15,000, increasing the percentage over 80 percent. On the other hand, family incomes have increased since 1970, reducing the percentage of families with incomes under $15,000 to approximately 80 percent.

- Approximately 40 percent of eligible students apply for and receive Ohio Instructional grants. This percentage is based on actual program experience in Ohio and compares with similar program experience in the states of Illinois, Michigan, and Wisconsin. The one exception would be hospital-based nursing programs where 80 percent of eligible students are assumed to apply based on similar participation rates in small private schools.[1]

Exhibit XI, following this page, presents detailed assumptions for the projected costs for each of the first and second priority recommendations. Exhibit XI also presents the projected costs of extending eligibility to students in proprietary schools.

2. Recommendations for improvements in administration of the Ohio Instructional Grants Program will increase administrative costs by an estimated $215,000 in the 1975-7 biennium.

The base budget for administrative costs for the 1975-7 biennium, as prepared by the Student Assistance Office, Ohio Board of Regents, is estimated to be $762,500. This budget would provide a processing capability for from 60,000 to 80,000 applications annually. Adding the cost of the administrative recommendations in the previous chapter would increase the proposed biennial budget by $214,300 to $976,800. Exhibit XII, following Exhibit XI, presents the recommendations and their associated costs. Recommendations not specifically included in

[1]Student Assistance Office, Ohio Board of Regents.

Policy Recommendation	Additional Students	Additional Cost*	Total Students	Total Cost*	1974-5 Students	1974-5 Cost*	Cumulative 1974-5 Students	Cumulative 1974-5 Cost*	Assumptions
Program for 1974-5 Biennium	33,672	$ 17,178	46,672	$24,028	84,334	$36,897 (1974-5)			Based on actual data for 1973-4, estimated data for 1974-5
Program estimates for 1975-7 Biennium	44,000	19,470	90,672	43,498	90,668	43,197	90,668	$43,197	Growth in program of 1000 students (700 public, 300 private) annually Same distribution of grant recipients as in 1974-5 plus 1000 additional students annually at average public ($328) and private ($775) grant for 1974-5
First Priority									
1. Increase maximum grants to . Public institutions to $750 . Private institutions to $2000 Increase minimum grants to . Public institutions to $150 . Private institutions to $500 Increase minimum income level to $5000.	-0-	14,496	-0-	14,066	-0-	28,524	90,668	68,709	Same distribution of grant recipients as in 1974-5 plus 1000 additional students annually at average public ($563) and private ($1398) grant with new maximum grants Approximately 3/4 of increase due to increasing grant amount; 1/4 due to increasing minimum income level to $5000 Minimum grant amount set at approximately 1/4 of maximum for both public and private institution tables
2. Extend grant tables to 10 dependent children	-0-	333	-0-	91	-0-	727	90,668	69,436	Same distribution of grant recipients in 6-10 dependent categories as in 1974-5 Increases average public grant to $568, average private grant to $1413
Second Priority									
3. Extend eligibility to half-time students taking from 6 to 11 credit hours	22,209	7,818	22,209	7,818	44,418	15,236	135,086	84,672	22,209 half-time students will apply annually (all students Ohio residents, 80 percent of total eligible, 40 percent of eligible apply) Students receiving average grant amount equal to one-half average public and private grants in 2. above
4. Extend eligibility to students in hospital-based nursing and health professions programs	4,600	2,613	4,600	2,613	9,200	5,226	144,286	89,898	4600 students in nursing and health professions programs (all students Ohio residents; 80 percent of total eligible; 50 percent of nursing program students apply, 40 percent of health profession program students apply) Students receiving average grant equal to average public grant in 2. above
5. Extend eligibility to students in two-year associate degree programs in proprietary schools	1,800	2,543	1,800	2,543	3,600	5,086			1800 proprietary school students will apply (80 percent of Ohio residents eligible, 40 percent of eligible apply) Students receiving average grant equal to average private grant in 2. above

*In thousands of dollars.

Exhibit XII are items which either result in no cost increase to the Ohio Board of Regents, or are costs that will be assumed by some other state agency.

The following numbered assumptions are keyed into Exhibit XII:

1. Administrative costs for the OIG program are defined as the costs directly incurred by the Student Assistance Office plus an estimated proportion of the telephone costs which are centrally incurred by the Ohio Board of Regents.
2. The other category includes the cost of equipment, supplies, office space rental, travel, and telephone.
3. Telephone costs for the following estimated amounts were included:

1973-4	$35,000
1974-5	40,000
1975-6	42,000
1976-7	45,000

4. Office space costs increased from $11,455 at the previous location (1973-4) to $25,920 for 1975-6 and 1976-7 in the State Office Tower.
5. Approximately 400,000 applications were printed for the 1974-5 school year; 350,000 were distributed to high schools, community agencies, and public and private colleges and universities. Based on forecasts prepared by the Student Assistance Office, 585,000 applications will need to be printed in 1975-6 and 1976-7 so adequate numbers can be sent to high schools, increasing budget figures for printing and mailing.

6. Per the Department of Administrative Services, the cost of implementing a tape-to-tape data processing system would include the following costs:

Feasibility study	$ 7,000
Systems study	30,000
Programming of terminal units	6,000
Miscellaneous one time charges	1,000
TOTAL	$44,000

7. Maintenance costs include the data processing terminal rentals and usage estimated by the Department of Administrative Services to be $36,000.

8. The cost of direct mailing to students taking the American College Testing Program tests includes:

Programming costs	$ 500
Cost of ACT and other lists	5,000
Postage and envelopes	10,500
TOTAL	$16,000

The additional administrative costs of adding half-time and nursing and other health professional students to the program is estimated to be $120,000 for the 1975-7 biennium.

VI. THE NEXT STEP

The preparation of this report is only a first step towards making the OIG program a truly effective vehicle for providing access to higher education for students from low and moderate income families. The next step involves the implementation by the Ohio Board of Regents and the Ohio Legislature of the recommendations contained in this report.

- The goals and priorities for the OIG program need to be considered and approved by the Ohio Board of Regents and the Ohio Legislature.
- The changes recommended in the OIG program concerning grant size and eligibility need to be considered and approved by the Ohio Legislature.
- The administrative changes recommended in the OIG program need to be considered and implemented by the Ohio Board of Regents.

Although the recommendations made in this report substantially increase the level of funding for the OIG program, they potentially represent a small investment for the return the state receives from a well-educated citizenry.

In the end, it is we Ohioans who must make the decision to provide effective access to higher education for all of our citizens, in much the same way we made similar decisions concerning elementary and secondary education decades ago. This report, we hope, provides a critical first step in making that decision.

APPENDIX

Equity Considerations for the Independent Student

The OIG program, as well as other financial aid programs, is based on the traditional premise that the student and the student's parents are primarily responsible for higher education costs. Student aid programs are intended to provide access to higher education for students from low and moderate income families by closing the gap between the available resources of the family and the cost of higher education.

Allowances have had to be made for older individuals who could not obtain financial assistance from their parents, as well as for orphaned students, students who are wards of the state, and students who are incarcerated, on parole or probation. To define all circumstances under which a student is legitimately independent has proved, however, to be a difficult task. The definition has to be stringent enough to prevent students from declaring themselves independent only to obtain financial assistance and thus go against the general philosophy of parental participation, and yet flexible enough to accommodate those individuals who truly are independent. The same problem exists in applying financial adjustments to the income of an independent student so that the dependent and independent student can be equated financially.

The recent Constitutional amendment allowing 18 year olds to vote has raised further questions as to the independence of a student. At a conference conducted in Dallas/Fort Worth, Texas from March 31 through April 3, 1974 which dealt entirely with the independent student, Alexander G. Sidar, Jr., Executive Director of the College Scholarship Service succinctly summarized the problem

of independent students in student aid programs.

> "For the past several years, particularly following the ratification of the Twenty-Sixth Amendment, the problems attendant to the independent or "self-supporting" student have grown rapidly and become one of the thorniest of many problems with which the financial aid administrator must deal."

The items addressed at the conference included the financial, legal, social, and psychological implications of student independence, as well as the effect on financial aid administrators of independent students and the student's view on independence. The topic of student independence is indeed a complex one.

The opponents to more liberal definition of, and financial consideration for, independent students point out the following shortcomings:

- Students and parents will attempt to circumvent the rules surrounding the definition of an independent student. For example, a way to "beat" the Basic Educational Opportunity Grant Program would be to arrange that one's 16 year-old child will, upon entering college a year or two hence, be classified as an independent student. By sacrificing one's income tax deductions for a year or two and by engaging in other actions it would be possible to qualify one's child for access to four years of a BEOG grant of up to $1,400 annually.[1]

- Adding more independent students would reduce the ability of financially-strapped student aid programs to provide access for needy students. Liberalizing definitions would increase the number of individuals participating in aid programs, thus spreading available funds even thinner among eligible applicants.

- Students from high-income families would find it advantageous to declare themselves independent whereas students from low-income families would probably not benefit as much from liberalizing the definition of an independent student.

Other individuals feel that the basic promise of parental participation in the cost of higher education should be questioned. George B. Weathersby has proposed that student assistance be distributed on the basis of individual income and individually borne costs of education. The support for this proposal

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[1] College Entrance Examination Board, College Scholarship Service, Who Pays? Who Benefits? (New York: 1974), p. 22.

includes the following observations:

- The notion that the vast majority of students are 18-21 years of age is erroneous. He indicates that 42.5 percent of higher education students are 22 or older.

- The notion that the majority of students attend full time is incorrect. He indicates that approximately 50 percent of students attend full time and 50 percent attend part time.

Based on his analysis, which is presented in Exhibit I, a student income need-based grant program would be more effective in increasing student access and choice than would a family income need-based grant program for the same expenditure. As illustrated, the vast majority of student income would be low, thereby entitling a large percentage of recipients to maximum grants; whereas the vast majority of family incomes would be high, thereby providing a larger percentage of program funds to students from higher income families who need the least assistance. This general approach is being given increasing credance although specific conclusions are still highly questionable.[2]

The current OIG program policy of not encouraging student disassociation from parents should continue, however, parity for students who must be independent is encouraged. In this regard, we make the following observations and recommendations:

- The current definition for an independent student should continue to be used. Parental income for independent students should still be requested on the OIG application and, depending on the parents' income level, the student should be directed to apply for student loans. The Ohio Board of Regents should determine the Ohio Instructional grant award so that regardless of whether a student declares his independence or remains dependent, neither the student nor his parents can evade their financial responsibility. In auditing the tax returns of students and parents, several states indicated that the percentage of error for the independent student was high. One state indicated that prior to extensive checks and audits the error rate was as high as 25 to 35 percent. The recommendation in the text to audit

[2] Weathersby, George B., Grants for Students Based on Their Own Income: An Alternative Plan for Public Financial Assistance (Mineographed report, American Council on Education, 1974).

EXHIBIT 1

ANALYSIS OF STUDENT INCOME BASED VERSUS FAMILY INCOME BASED GRANT PROGRAM BY GEORGE WEATHERSBY

Table 5: Estimated Number of Students, by Income Groups, Given an Additional $1.6 Billion in Student Grants in 1977, and an Additional $1.8 Billion in 1980

Income Levels	Number of Students (thousands)			
	Family Income		Student Income	
	1977	1980	1977	1980
Under $1,000	71	75	930	971
$1,000 - $1,999	155	164	1,412	1,475
2,000 - 2,999	224	236	2,307	2,408
3,000 - 3,999	342	359	1,599	1,667
4,000 - 4,999	418	438	1,180	1,230
5,000 - 5,999	429	449	723	754
6,000 - 7,499	678	710	451	469
7,500 - 9,999	1,223	1,275	267	278
10,000 - 14,999	2,641	2,754	178	185
15,000 - 24,999	2,009	2,086	89	92
25,000 and over	889	918	44	46
Total[a]	9,080	9,464	9,180	9,576

Source: NCFPE staff calculations.

a. Totals computed separately; columns may not add to total because of rounding.

Table 6: Estimated Average Grant Per Student, by Income Group, Given Given an Additional $1.6 Billion in Student Grants in 1977 and an Additional $1.8 Billion in 1980

Income Levels	Average Grant			
	Family Income		Student Income	
	1977	1980	1977	1980
Under $1,000	$705	$764	$201	$218
$1,000 - $1,999	918	997	254	276
2,000 - 2,999	684	737	166	180
3,000 - 3,999	458	494	124	134
4,000 - 4,999	299	324	98	107
5,000 - 5,999	274	295	82	88
6,000 - 7,499	231	249	67	73
7,500 - 9,999	168	181	52	56
10,000 - 14,999	115	124	37	42
15,000 - 24,999	0	0	0	0
25,000 and over	0	0	0	0
Average Grant	$259	$279	$177	$191

Source: NCFPE staff calculations.

a statistically valid sample of income tax returns ought to provide one control to prevent a high error rate.

- If the decision is reached in the second phase of the study to go to a needs analysis basis for grant award determination, some of the current problems of making financial adjustments for independent students will be eliminated. Most states with a grant program based on needs analysis indicated that their problems with independent students were primarily that of definition. The main deterrent to implementation of a needs analysis system in Ohio has been the administrative cost. The Student Common Data Form and processing methods being proposed by the Keppel Task Force may allow Ohio to implement needs analysis for a fraction of the cost previously anticipated. In the meantime, the current adjustment factors should be updated to reflect the most current available statistical data. Statistical data from the College Scholarship Service and other sources should be obtained to test the validity of the factors being currently applied.

- The need for applicants to apply a conversion factor before being able to determine grant awards from the grant tables should be eliminated. The conversion factors should be built into the grant tables through adjustments in the income levels and corresponding grant amounts.